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COLLECTING — P.13 Millais: Record for a Royalist

FEATURES

TRAVEL — P.9 THEATRE Smash hits in London and New York

WEEKEND BRIEF — Healey v Howe P.15

NEWS SUMMARY

GENERAL

Whitehall 'should assist opposition'

Civil servants should be able to help opposition parties frame their policies, Sir Peter Carey, former Industry Department permanent secretary, said yesterday.

He said many opposition manifesto promises turned out to be unworkable when the party won power.

In the same speech, he criticised the time Ministers hold office—an average of two years in his 10-year spell at the department. Back Page

RAF pilot killed

An RAF pilot was killed when his Harrier fighter crashed off Lincolnshire, and a crewman was missing after an RAF Tornado crashed off Norfolk.

Boy's fatal drink

Graham Carr, 18, was sentenced to seven years' youth custody in Nottingham after admitting the manslaughter of his three-year-old nephew, who died after drinking cider and fungicide.

Petrol pickets

Pickets hit petrol deliveries at Shell's Haydock terminal, in spite of a court injunction won by Shell. Back Page

Polish offer

Poland's government offered to free 11 dissidents awaiting trial for trying to overthrow the state, if they would emigrate to the West.

Lebanon talks

Lebanese opposition leaders left for Geneva, where national reconciliation talks are to be held. Page 2

Kaunda ahead

Zambian President Kenneth Kaunda seemed likely to be re-elected comfortably as results were counted. He is unopposed but needs a 50 per cent "yes" vote.

Czechs protest

Hundreds of thousands of Czech "peace demonstrators" protested against U.S. missiles and supported plans to station Soviet missiles in their country. Nato, Page 2

Street latest

Coronation Street actress Anne Kirkbride was fined £250 for having cannabis in her flat.

Sex drive

Yeovil District Council, Somerset, received a planning application for a mobile sex shop called Thrills on Wheels.

High notes

Two choristers will sing Purcell's Sound the Trumpets in a hot-air balloon above York Minster tomorrow, to dispute a claim made on local radio that counter-tenors are cissies.

Briefly . . .

Argentina's first election campaign since 1973 wound up.

Typhoon hit Vietnam; 200 fishermen are feared dead.

Belgium expelled two Soviet diplomats for spying.

Beirut bombs death toll reached 286.

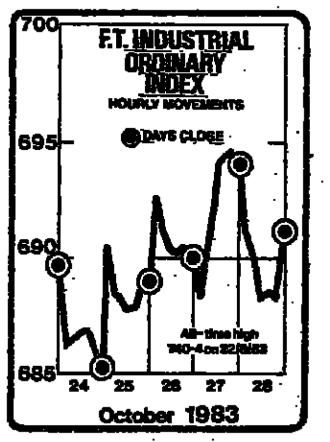
Earthquake, Richter scale 6.9, hit the northwest U.S.

RUC policeman John Hallawell was shot dead in Londonderry.

BUSINESS

Equities drift; new stock offer

● EQUITIES drifted on anxiety over the tense situations in the Middle East and Caribbean.



The FT Industrial Ordinary index closed 2.9 down at 691.1, for a rise of 1.3 on the week. Page 22

● GILTS were quiet, with little institutional activity. After the close, new short-dated low-coupon funding was announced and shorts and longs gained ½ or more. Page 3 and Page 22

● STERLING rose 15 points to \$1.4955. It also improved to DM 3.9225 (DM 3.9125), FFr 11.935 (FFr 11.925), SwFr 3.19 (SwFr 3.1725) and Y348.25 (Y347.5). Its trade-weighted index was unchanged at 83.5. Page 19

● DOLLAR rose to DM 2.6215 (DM 2.618), FFr 7.9925 (FFr 7.985), SwFr 2.131 (SwFr 2.123) and Y232.7 (Y232.55). Its trade-weighted index fell to 126.2 (126.4). Page 19

● GOLD rose \$3 to \$386¼ in London, and in New York the Comex November settlement price was \$387., Page 19

● U.S. M-1 measure of money supply fell \$2.4bn in the week to October 19.

● WALL STREET was 11.58 down at 1,230.49 just before the close. Page 18

● FRANCE plans to lift by Christmas some of the rigorous currency restrictions imposed on French travellers abroad in the March austerity plan. Back Page

● FORD workers have rejected an initial pay offer of 4.1 per cent. Page 3

● AUSTRALIA will from Monday change the Australian dollar rate fixing in an attempt to discourage speculation, particularly from Pacific Asian markets. Back Page

● OIL TAXATION Bill proposes a change in tax relief for North Sea oil exploration companies which removes fiscal disincentives to the shared use of assets such as pipelines Page 3

● GOODYEAR TIRE, the largest U.S. tyre maker, reports net profit for the nine months to September 30 of \$163.5m (£109.4m) against \$264.2m.

● PEUGEOT, the French motor manufacturer, reports a first-half net loss of FFr 799m (£67m) against FFr 109.7m profit in the corresponding period of 1982.

● LOGICA, Britain's largest independent software company, attracted £170m for its offer for sale of 10.4m shares. Page 16 and Lex

Britain disturbed by claim of Cuban threat

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

THE GOVERNMENT is deeply concerned by President Ronald Reagan's claim that Cuba was planning to invade Grenada, and his use of that as justification for the American invasion of the island.

Mr Reagan's claim is seen in Whitehall as a sign that the U.S. Administration is floundering in an increasingly complicated situation and the British Government is determined not to become implicated.

Downing Street yesterday confirmed that Mr Reagan telephoned Mrs Margaret Thatcher at noon U.S. time on Wednesday. Officials gave no details of their conversation but stressed that Mrs Thatcher's warm endorsement of the Atlantic alliance in the Commons on Thursday was not related.

Sir Geoffrey Howe, Foreign Secretary, expressed the Government's concern on BBC radio yesterday.

Commenting on Mr Reagan's justification, put forward in a nationally televised speech on Thursday night, he said: "It's a totally different reason. I think one has got to be very careful before one concludes that the nature of forces and people in an independent country that have been invited there by the government of that country affords a justification for the invasion of that country from outside. It's a very different question."

Whitehall hopes a way can be found to enable the Americans to withdraw from Grenada quickly, but stressed that Britain would not intervene directly and would only become involved in a Commonwealth context, if at all.

Downing Street confirmed that the subject was discussed yesterday at a meeting arranged long ago between Sir Geoffrey and Sir Shridath Ramphal, Secretary-General of the Commonwealth Secretariat, but said no decisions were taken.

The Foreign Office confirmed that Mr David Montgomery, British Deputy High Commissioner in Barbados, met Sir Paul Scoon, the Grenadan Governor General, on Thursday morning, but it gave no details of their discussion. Last night Buckingham Palace said Sir Paul had "now been in touch" and the Queen was glad to hear he was safe and well.

Meanwhile the Government's concern that the American role in Grenada may undermine confidence in Anglo-U.S. relations is evident in the motion for Monday's defence debate in the Commons.

In view of the doubts expressed by Tories as well as Labour MPs, the Government is calling for an explicit endorsement of the deployment of cruise missiles.

The motion reads: "That this House reaffirms its support for the Nato 1979 twin track decision on intermediate range nuclear forces; strongly backs the West's efforts to achieve a balanced and verifiable agreement at the Geneva negotiations; but confirms that in the absence of agreement on the zero option, cruise missiles must be operationally deployed in the UK at the end of 1983."

The motion has been signed by the Prime Minister, Sir Geoffrey Howe, Mr Nigel Lawson, Mr Leon Brittan, Sir Keith Joseph and Mr Michael Heseltine.

Invasion of Grenada and Nato meeting, Page 2; Man in the News, Back Page

U.S. TROOPS STILL MEETING RESISTANCE

THE U.S. invasion force was yesterday still fighting to suppress continuing Cuban resistance on Grenada, although the Pentagon said that "all major military objectives" had been secured, Reginald Dale, U.S. Editor, writes from Washington.

The White House said several hundred armed Cubans were believed to have fled to jungle-covered hills in a number of areas, where attempts to root them out could prove very difficult.

Mr Caspar Weinberger, the U.S. Defence Secretary, said on American TV that a number of Cubans on the island had apparently not been told of the call for an end to resistance by Mr Fidel Castro, the Cuban leader, earlier in the week.

The Pentagon said the number of U.S. troops killed in the invasion was now 11, with 67 wounded and seven missing. It again acknowledged that resistance had been much stronger than expected, and said that 610 Cubans and 17 Grenadians had so far been captured.

The White House said that the U.S. forces had assumed virtually full control of the capital, St George's, while Mr Weinberger spoke of three or four small pockets of resistance.

Other U.S. officials said there was still serious opposition from the Cubans. A spokesman for the 82nd Airborne Division on the Island was quoted as saying that there were still an estimated 1,000 Cubans at large, and it could take a while to get them all.

The Pentagon said that there had been no casualties among the 300 troops and police from the six Caribbean countries that participated in the invasion and that 393 of the estimated 1,000 Americans on the island when the invasion began had been evacuated, along with 42 foreign nationals.

Meanwhile, the White House was delighted with what it said was an overwhelmingly favourable public reaction to Mr Reagan's nationally televised speech on Grenada and Lebanon on Thursday night. It said that the White House had received 5,374 telephone calls and telegrams approving the invasion and only 383 opposing it.

ABC Television said that in a snap poll it conducted after Mr Reagan's speech, 86 per cent of Americans approved his action and 14 per cent opposed it. Before the speech 64 per cent had been in favour and 26 per cent against, with 10 per cent undecided.

● In the UN, the U.S. abandoned by its allies, vetoed a Security Council resolution deploring armed intervention in Grenada.

Kleinwort to advise on sale of BT stake

By John Lloyd, Industrial Editor

THE GOVERNMENT is to appoint stockbroking consultants to advise on its planned disposal of a 51 per cent equity stake in British Telecom. The sale is expected to raise up to £4bn when the shares are marketed after passage of the Telecommunications Bill.

Mr Norman Tebbit, the Trade and Industry Secretary, has asked Kleinwort Benson, the DTI's merchant banking adviser, to begin a selection process for the consultants. This is expected to be completed by the end of November.

Mr Tebbit has stressed the need for "new and creative approaches" to further the Government's aim for wide-spread sale of the shares to the public.

The problems of disposal—the block is three or four times larger than those involved in the record sales of either BP or Britoil shares—are widely recognised to be considerable. Earlier plans to break up the corporation and sell it in several parts have been dropped, but no obvious alternative has been found.

Shares will be offered in the U.S., where Morgan Stanley, a leading Wall Street investment bank, is already advising on ways to dispose of them.

A variety of proposals, such as to offer shares to subscribers or to set up a unit trust to hold shares on their behalf, has been canvassed. The share issue will probably be advertised much more widely than is the case with normal issues.

● Mr Tebbit has re-appointed two special advisers — Mr Jeffrey Sterling, who has been an adviser to the DTI for the two previous Secretaries of State, and Mr Michael Dobbs, who advised Mr Tebbit while he was at the Employment Department.

Mr Sterling, 48, chairman of Sterling Guarantee Trust, was influential in persuading manufacturers of the digital System X exchanges to collaborate in new production arrangements. He is to take over as chairman of P & O on Tuesday.

Mr Dobbs, 34, is a director of Saatchi & Saatchi Compton and was previously an aide to the Prime Minister.

Mr Sterling sees his brief as

Continued on Back Page

New head for British Technology Group, Page 3

Midland to link with continental cash dispenser systems

BY DAVID LASCELLES IN LISBON

HUNDREDS of European banks have agreed to link their cash dispenser systems to enable travellers to draw money from machines in more than 20 Continental countries.

This major advance in banking convenience follows agreement on a common standard. The system should be ready for the 1985 summer tourist season, according to officials of Eurocheque, the Brussels-based international payments system which is holding its congress here.

Thousands of British and German tourists wil be offered a limited service as early as next summer. The Midland Bank of the UK, its Northern Bank subsidiary and its affiliate Clydesdale Bank, and several German banks will take part in a pilot scheme giving customers plastic cards to draw up to the equivalent of SwFr 300 (about £75) from machines in France and Spain.

Dr Ulrich Weiss, President of Eurocheque, said: "This added electronic dimension, which confirms Eurocheque's leading position in international payment systems, shows impressively what the European banks can achieve together for the benefit of their customers.

Technology

Banks paved the way for the new service by agreeing on uniform technology which pulls together 19 European cash dispenser networks. The banks subscribing to the system will put a special code in the magnetic strip on their plastic cards which will activate cash machines each other's branches.

Eurocheque is also working on a common standard for facilities which will allow travellers to pay for goods and services directly through terminals installed in shops, garages and hotels.

"Our goal is that a Eurocheque card holder should be able to drive through Europe and use the card at self service terminals of gasoline stations of different countries," Dr Weiss said.

Midland Bank, the only full UK participant in Eurocheque, said yesterday it would exchange its customers' cards for the new ones without charge. The cards will be accepted by 100 machines of Banque Populaire in France and 350 machines of Systema 4B Group of Banks in Spain. More banks may join later in the summer season.

Some European banks already provide limited cross border cash dispensing facilities, but only on a bi-lateral basis. Card holders of Societe Generale de Banque of Belgium can use machines at Credit Agricole in France, for example.

Eurocheque, 15 years old this year, is an association of 15,000 banks in Europe, the Soviet bloc, the Middle East and North Africa. It co-operates to supply common products such as cheque books, guarantee cards and travellers' cheques.

Eurocheque

The international cash dispensing service follows two years of work by a Eurocheque committee under Mr Harald Omdal, director of the Norwegian bankers' association.

Mary Ann Sieghart adds: None of the other three big UK clearing banks belongs to the Eurocheque scheme but they all issue special cards for encashment of cheques on the Continent.

Barclays Bank said last night: "Ultimately, our customers will be able to use their Visa cards in cash machines abroad, but it is not something that will happen in the immediate future."

Lloyds Bank said it had no plans "as yet" to introduce cash dispenser facilities abroad for its customers, while the National Westminster said it was looking at ways to develop its service.

£ in New York

	Oct. 27	Previous
Spot	\$1.4945-4955	\$1.4970-4980
1 month	0.05-0.07pm	0.05-0.07pm
3 months	0.18-0.20pm	0.17-0.19pm
12 months	0.61-0.66pm	0.56-0.65pm

British Shipbuilders faces national strike

BY DAVID BRINDLE, LABOUR STAFF

SHIPYARD WORKERS have moved to the brink of a national strike in an attempt to squeeze a pay offer out of British Shipbuilders.

A delegate meeting of the Confederation of Shipbuilding and Engineering Unions at Tynemouth yesterday voted to make an increase in wages and salaries a pre-condition of further talks on the state-owned company's survival plan.

British Shipbuilders, which is due to meet the union's shipbuilding negotiating committee next Wednesday, is adamant that its 18-month freeze on basic pay rates will continue.

The confederation's executive could call a strike as early as next Thursday.

Mr Jim Murray, chairman of the shipbuilding negotiating committee, said: "If there is no pay offer, I'm afraid it will probably go to direct confrontation fairly quickly." The stage was set for the biggest confrontation in the industry since 1977.

Yesterday's conference of 500 shipyard delegates was the culmination of months of shadow boxing between British Shipbuilders and the unions over pay and redundancies. About 5,000 workers lobbied the meeting.

Delegates voted overwhelmingly to support a resolution "emphatically rejecting" the company's survival plan, which proposes major changes in working practices and is coupled with the current round of 2,100 redundancies among the 60,000 workforce.

The resolution went on to authorise further talks with British Shipbuilders, but made a pay offer a pre-condition.

It added: "In the event of no agreement being reached, the membership throughout the industry pledged full support to the shipbuilding negotiating committee for any action called for up to and including total occupation for all-out strike action." No further delegate meetings need be called.

Mr Murray said afterwards that a national strike was more likely than occupation of the yards.

He stressed that there could be no talks on the survival plan until a pay offer was on the table. "We must start from that basis. There will be no discussion on other items if we cannot resolve that immediate difficulty."

However, Mr Murray made the point that a call by some delegates at the meeting for immediate occupation of the yard had been rejected to try to avoid a confrontation.

Mr Maurice Phelps, British

Continued on Back Page

Matsushita offers VTR deal

By Our Foreign Staff

MATSUSHITA ELECTRIC said yesterday that it was willing to allow Philips and Grundig, the two main European producers of video tape recorders (VTRs), to use its VHS system for production under licence in Europe.

Both European companies, however, refused to confirm that they were prepared to accept a deal without further negotiation.

The VHS system, which was developed by Matsushita's affiliate Victor Company of Japan, is the most popular system on the market and has an estimated 70 per cent of world sales.

The addition of Philips and Grundig to the VHS family would mean a further big increase in the system's market share. It could eventually lead to changes in the agreement under which Japan has been restraining its VTR shipments to the European Community—a restriction designed to ensure a market within Europe for the Philips V2000 system.

Philips said in Amsterdam that it had reached no agreement over the use of Matsushita technology and was studying several Japanese possibilities.

Grundig said at its Fuerth headquarters that it was still interested in producing VTRs under Japanese licence, for export markets, but had not

Continued on Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Assoc. Dairies	176	+ 6
Causton (Sir J.)	63	+ 4
Cole	140	+ 8
Haden	203	+ 13
Ibstock Johnsen	165	+ 9
ICI	580	+ 4
Ocean Transport	100	+ 5
Savoy Hotel A	290	+ 10
Ulster TV (N/V) A	103	+ 8
Wimpey (G.)	127	+ 5
Aran Energy	58	+ 8
Atlantic Res.	705	+ 70
CRA	332	+ 10
Cons. Gold Fields	473	+ 10
E.Z. Inds.	338	+ 8
Gold Fields S.A.	£63	+ 2¾
Poseidon	285	+ 10
FALLS		
Barr & W.A.T. A	96	− 5
Burgess Prods.	47	− 10
Burnett & H'lamshire	173	− 12
Eagle Star	528	− 7
Hall (Matthew)	216	− 12
Hawker Siddeley	300	− 6
Lloyds Bank	433	− 10
Midland Bank	373	− 10
Upton (E.) A	28	− 4
Jingellic Minerals	44	− 10
Transvaal Cons. Land	£22	− 2

CONTENTS

Awaiting a cable from Mr Lawson

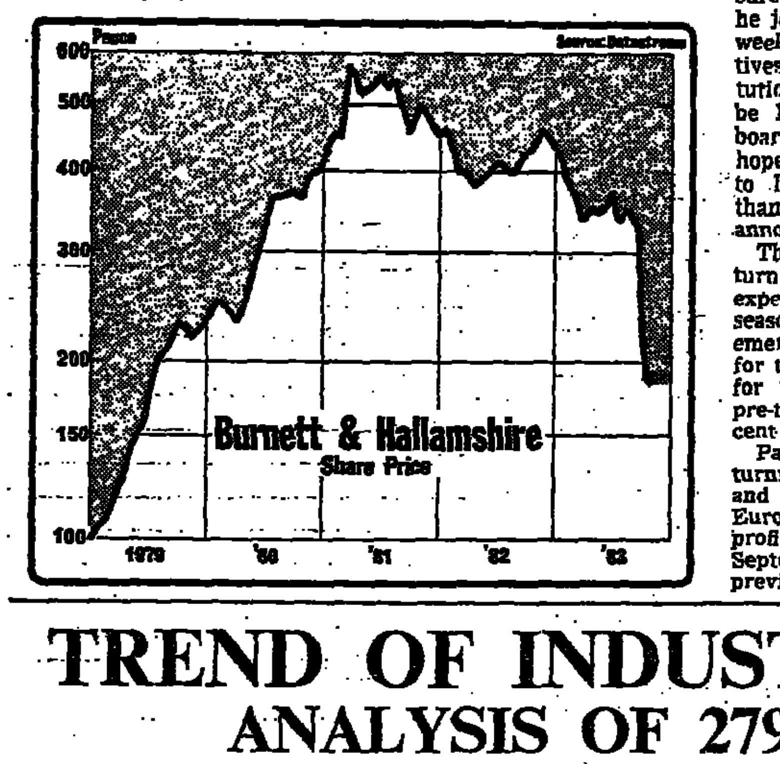
With just a hint that the Government was testing the water for another disposal of Cable and Wireless shares, talk soon whipped up expectations of a heavy placing in a matter of days.

The time scale, however, is nowhere near as short. The Treasury did confirm on Thursday that it is getting ready to sell "approximately half its present holding," currently worth over £525m. Although details are extremely sketchy at this stage, on the basis of past precedent it seems likely that the Government will go for an offer for sale, to give private investors a chance, rather than an institutional placing.

It must also be tempting for the Chancellor to offload a bit more than half the 45 per cent he has of C and W. If he were willing to drop that stake by, say, 30 percentage points he could attain his target of raising £1.25bn in all from the disposal of state-owned assets in this financial year.

Of course if C and W can shrug off the market's doubts about Hong Kong, a major source of revenue, and the price picks up from today's depressed level, Mr Lawson might be able to hit £1.25bn and still keep roughly half his shares locked away for a rainy day.

Elsewhere the equity market looked tired to the point of exhaustion, with only the stores sector showing any flicker of life. The message from the Building Societies that a mortgage cut was on the way was just the thing to convince some investors that retail prospects are really not that dull and the week's top performers are dotted with retailers.



LONDON

ONLOOKER

Cheers for ICI

Mr John Harvey-Jones can be sure of a warm welcome when he jets across the Atlantic next week with his band of ICI executives to meet Wall Street institutions. From Tuesday ICI will be listed on New York's big board and he could not have hoped for a better set of figures to lay before the Americans than the third quarter earnings announced this week.

The pace of the cyclical upturn is faster than the City had expected. Pre-tax profits in the seasonally weaker third quarter emerged at £147m against £58m for the same period of 1982. So for the first nine months the pre-tax line is up by 119 per cent to £445m.

Particularly striking is the turnround of the petrochemical and plastics businesses in Europe which made a small profit in the three months to September after losses in the previous two quarters of about £10m a time. During the whole of 1982 those operations dragged ICI down with a £123m trading loss.

Encouragingly, the group's upturn appears to be underpinned by volume growth to a greater extent than earlier in the year. The favourable currency movements which had been a feature behind gains of the first two quarters had all but disappeared by the third and the latest profits advance is more soundly based on volume gains of perhaps a tenth coupled by effective cost cutting.

Pharmaceuticals were particularly good just as the market had hoped. While ICI's pharmaceutical division only just creeps into the top two dozen of the world's major drug companies, it provided nearly two-fifths of ICI's 1982 profits and this year it should do even better thanks to the success of its heart drug.

Even if ICI is still struggling to get its petrochemical business to hold break-even, the group as a whole should be capable of £610m to £620m pre-tax for the year, against £259m.

All this should be music to the ears of the Americans, who have been pursuing ICI's share price all the way up from 350p earlier this year. About a tenth of the company is now in U.S. hands. And while some British analysts may be keen to supply stock to eager Wall Street buyers the Americans are unlikely to lose their appetite. ICI's price stands at less than nine times prospective earnings, significantly less than comparable U.S. stocks.

Burnett's bombshell

The anguished cries of City investors should carry all the way to Burnett & Hallamshire's Sheffield boardroom. Certainly someone up there deserves a few sleepless nights, for the events of this week must serve as an object lesson on how not to communicate with investors

The City has long been sceptical about B & H's profits but, with an unbroken record for more than a decade and a forecast by the former chairman, Mr George Helsby, of "substantial growth" for 1983-1984 analysts felt comfortable predicting on average an £8m rise to £38m pre-tax.

Helsby had been the driving force behind B & H so his unexpected departure last September started the City worrying. Nevertheless, deputy chairman, Eric Grayson, moved up a peg and promised to come down and meet the brokers once he had a chance to undertake a review.

So when a series of analysts meetings were called for last Monday nobody should have been surprised. Yet the share price was signalling something more and fell 25p to 265p on the Friday before, having started the week at over 300p.

Once the analysts' meetings got under way it became clear that, far from another year of profits growth, B & H was likely to report a substantial fall. Yet without an official statement the price went into free-fall on Monday with a 40p drop to 225p at the close, having touched 208p at one point.

All sorts of stories were flying around before a few hastily cobbled together sentences were given to the world at large late on Monday. But that didn't enlighten anybody and the shares fell another 35p on Tuesday. They are now 173p.

What has finally emerged out of the confusion is that the property dealing profits of the previous year, which took in £10m alone on one Californian deal, could not be repeated. Indeed the company is seven months into its year without a penny of dealing profit. Far from £38m, profits this year will be more like £18m.

Not surprisingly the shares are going to remain friendless for a long time, that is assuming a predator does not make use of this ideal opportunity to bid.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Ind. Ord. Index	691.1	+ 1.3	740.4	598.4	Investment enterprise lack
F.T. Gold Mines Index	475.8	−40.2	734.7	475.8	Bullion falls to 12 month lo
Allnatt London Props.	230	+30	233	152	Tripartite merger talks.
BAT Inds.	153	+12	185	130	Favourable Press comment
British Land	90	+ 6	93	72	Speculative bid hopes.
Burnett & Hallamshire	173	−92	457	173	Profits sharply downgraded
Cable & Wireless	260	−25	347	220	Proposed Government shar
Dixon (David)	80	−18	112	66	Annual loss/final div. passe
Garford-Lilley	70	+32	75	25	Bid from Williams Holdings
GUS A	570	+32	603	493	Increased spending hopes.
Guildhall Property	140	+20	140	105	Tripartite merger talks.
Highgate Optical	101	−29	152	22	Boardroom changes.
ICI	590	+28	596	350	Impressive third-quarter re
Minorco	615	−35	952	605	Profits fall at Phibro Salom
North British Props.	179	+22	180	87	Agreed bid from Sun Life.
Peko-Wallsend	374	−40	476	324	Proposed A$50m rights issu
Shell Transport	532	−30	640	403	Oil glut worries.
Sunlight Service	220	−35	265	139	Brengreen bid lapsed.
Tricentrol	192	−18	240	148	Rumoured big share placing
Atlantic Resources	705	+145	705	35	Revived oil find speculation.

Royal calling

Royal Insurance is taking a major step forward to strengthen its U.S. operations. In its third American deal within 16 months Royal announced this week that it has agreed terms with the board of Missouri-based Silvey Corporation for a takeover worth $50.7m (£34m).

Royal is already heavily committed to the U.S. which accounts for about two-fifths of its total worldwide premium income. In the U.S. league table Royal ranks number 20 with a 1.29 per cent market share.

However, the British company has until now concentrated its activities in the east and north while its exposure to the mid-western states has been fairly limited. The purchase of Silvey is intended to redress the balance.

It has taken Royal some time to find suitable partners. It rightly took the view that organic growth could have been too slow, too expensive and perhaps too risky. So more than a year ago Royal started to cast around for likely acquisitions. It had hoped to take on board one medium sized local company but failed in its search and instead has settled for two smaller purchases. A year ago it paid $16.5m for Milbank Insurance which covers the northern mid-west states and now Silvey expands its geographic coverage of the region.

For the present Royal's hunger for U.S. acquisitions is probably satisfied, though Mr John Howard, the chief general manager, says the group would keep an open mind to any propositions offered.

Picking property

The property sector has been out in the wilderness for a good two-and-a-half years but just recently there have been signs that investors are again willing to embrace property companies. Certainly there has been no shortage of corporate action this week.

One of the sector's hoariest big chestnuts is actually coming to life. Allnatt Properties and its satellite company, Guildhall Property in which it has a 39.3 per cent holding, are in talks with Slough Estates. If a merger is agreed Slough will consolidate its position as the country's number one industrial group with property around £850m.

Allnatt's profits perfor has been satisfactory a concentration in nort London gives it a solid Yet growth from rent re will be slowing and, in the market at least, it is recog that Allnatt will need aggressive management expensive modernisation secure its future. Slou seen as a provider of both.

Slough emphasises that talks are at a very early but if a deal is concluded bit of Slough paper wil floating around. And it Allnatt board, which cor over half the equity, cann convinced of Slough's there will probably be ready to step forward with, offers.

Meantime Sun Life A ance has agreed terms wi directors of North British perties for a £30.5m take Sun Life is bidding 1S share against a suspe price earlier in the wee 156p. The terms must be a appointment to the opti who had hoped Northern c make out a case for over but even so shareholders not done badly. The 18 twice the market price be Northern announced it wa talks.

TREND OF INDUSTRIAL PROFITS
ANALYSIS OF 279 COMPANIES

CONSUMER SPENDING rose sharply last year but capital goods sector profits were almost static and financial-service earnings continued to decline.

Those are the main indications from the table below. This includes statistics from the reports of 279 companies with financial years ending in the period between October 1 and December 31 last year. The figures are in £m. Corresponding figures for the previous year are in brackets.

Volume rises are entirely responsible for a 14 per cent improvement in consumer-sector profits. In that sector best performers were stores, tobaccos, and newspapers and publishing. Their profits rose by between 26.6 per cent to 33 per cent, with commensurate rises in dividends.

Health and household products did show a 129.3 per cent profits rise but that was based on results of only one company—Fisons.

In spite of the buoyancy of consumer spending in the period, sales by motor companies rose only marginally and the sector swung sharply into loss.

INDUSTRY	No. of Cos.	Turnover (1)	Profits before Int. & Tax (2)	Pre-tax Profits (3)	% chnge	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	12	4,140.3 (3,719.5)	402.4 (394.7)	324.2 (328.7)	−1.4	110.7 (100.6)	190.7 (205.7)	−7.3	71.0 (63.9)	−11.1	246.5 (252.4)	2,719.5 (2,549.0)	14.8 (15.5)	486.2 (496.1)
CONTRACTING, CONSTRUCTION	13	5,109.6 (4,744.4)	275.8 (260.4)	197.3 (187.6)	+5.2	65.0 (48.1)	123.8 (129.6)	−4.5	35.5 (33.4)	−6.3	202.3 (202.5)	2,149.2 (1,853.4)	12.7 (14.0)	616.9 (606.4)
ELECTRICALS	8	2,775.7 (2,422.6)	219.3 (207.0)	188.2 (176.3)	+6.7	72.2 (62.0)	98.9 (95.6)	+3.2	42.0 (36.2)	−16.0	117.9 (109.2)	915.0 (842.1)	24.0 (24.6)	396.2 (387.3)
ENGINEERING CONTRACTORS	4	1,925.5 (1,636.0)	98.9 (85.9)	80.6 (71.4)	+12.9	24.1 (19.4)	52.3 (46.7)	+12.0	17.2 (15.1)	+13.9	63.9 (55.4)	511.6 (472.2)	19.3 (18.2)	234.2 (228.2)
MECHANICAL ENGINEERING	30	7,434.9 (6,798.1)	486.5 (436.0)	359.6 (339.5)	+5.9	96.5 (79.8)	250.3 (232.8)	+7.5	80.6 (76.6)	−2.5	328.8 (291.4)	3,666.5 (3,606.4)	13.3 (12.1)	1,774.9 (1,651.5)
METALS AND METAL FORMING	3	2,968.8 (2,765.8)	179.1 (165.8)	95.7 (93.2)	+2.7	33.8 (28.0)	54.1 (56.2)	−3.7	28.8 (30.1)	−4.3	111.6 (102.4)	1,669.4 (1,589.8)	10.7 (10.4)	557.4 (507.5)
MOTORS	5	2,186.0 (2,087.2)	70.2 (65.5)	−1.9 (3.6)	—	31.3 (30.4)	−47.7 (−39.6)	—	4.7 (7.7)	−39.0	−0.2 (—)	992.2 (900.0)	7.1 (7.3)	225.1 (234.3)
OTHER INDUSTRIAL MATERIALS	7	2,035.0 (1,989.5)	98.3 (139.1)	31.7 (79.5)	−60.1	51.3 (40.1)	−3.1 (34.4)	—	16.3 (21.0)	−22.4	40.2 (74.1)	1,185.0 (1,245.4)	8.3 (11.2)	297.2 (344.5)
TOTAL CAPITAL GOODS	82	28,575.6 (26,153.1)	1,828.5 (1,754.4)	1,275.4 (1,279.8)	−0.3	464.9 (408.4)	719.3 (761.6)	−5.6	296.1 (286.0)	+3.5	1,111.0 (1,087.9)	13,808.4 (13,058.3)	13.2 (13.4)	4,577.2 (4,436.3)
BREWERS AND DISTILLERS	6	448.4 (384.0)	54.9 (49.5)	48.0 (44.5)	+7.9	17.2 (14.3)	30.3 (29.6)	+2.4	10.7 (9.2)	+16.3	31.2 (30.0)	491.7 (418.3)	11.2 (11.8)	15.1 (10.3)
FOOD MANUFACTURING	3	5,524.9 (5,003.2)	412.3 (418.7)	366.4 (376.3)	−2.6	164.8 (154.6)	186.9 (211.5)	−11.6	47.1 (43.6)	+8.0	240.5 (252.4)	2,444.5 (2,167.4)	16.9 (19.5)	935.4 (896.8)
FOOD RETAILING	—	—	—	—	—	—	—	—	—	—	—	—	—	—
HEALTH AND HOUSEHOLD PRODUCTS	1	350.5 (494.4)	32.2 (23.6)	21.1 (9.2)	+129.3	4.2 (3.5)	16.7 (5.4)	+209.3	4.7 (3.7)	+27.0	18.4 (8.8)	209.4 (210.7)	15.4 (11.2)	63.0 (42.0)
LEISURE	10	2,495.3 (2,226.2)	234.3 (212.6)	169.8 (155.9)	+8.9	51.1 (42.7)	115.1 (109.4)	+5.2	53.6 (44.5)	+20.4	169.9 (157.4)	1,881.8 (1,595.1)	12.5 (13.3)	−12.0 (14.7)
NEWSPAPERS, PUBLISHING	6	369.6 (331.8)	30.1 (26.6)	25.7 (20.3)	+26.6	7.8 (8.9)	17.1 (11.5)	+48.7	6.6 (5.2)	+26.9	21.4 (17.6)	168.0 (143.5)	17.9 (18.5)	67.0 (57.3)
PACKAGING AND PAPER	8	2,918.1 (2,924.1)	180.6 (207.9)	110.5 (143.5)	−23.0	35.6 (55.5)	57.4 (67.5)	−15.0	22.6 (28.4)	−20.4	118.0 (112.4)	1,417.4 (1,273.1)	12.7 (16.3)	293.1 (295.6)
STORES	4	487.5 (401.8)	28.3 (22.7)	24.6 (18.5)	+33.0	8.5 (6.8)	15.6 (11.5)	+35.7	4.8 (3.9)	+23.1	17.5 (15.4)	111.3 (111.3)	25.4 (20.4)	−10.3 (4.1)
TEXTILES	7	1,520.5 (1,391.0)	152.8 (143.0)	123.6 (115.0)	+7.5	42.7 (39.4)	74.7 (70.6)	+5.8	22.2 (20.6)	+7.8	87.2 (80.2)	805.2 (755.9)	19.0 (18.9)	410.0 (392.7)
TOBACCOS	2	15,932.3 (13,616.6)	1,209.8 (976.1)	1,005.4 (785.9)	+27.9	363.2 (258.0)	585.9 (487.6)	+20.2	152.2 (135.5)	+12.3	689.4 (563.5)	5,713.5 (4,665.0)	21.2 (20.9)	1,866.9 (1,527.8)
OTHER CONSUMER	4	322.9 (315.2)	6.9 (0.3)	1.3 (−5.3)	—	3.1 (4.1)	−1.8 (−9.4)	—	1.4 (1.5)	−6.7	5.5 (−2.7)	121.8 (131.4)	5.7 (0.2)	45.4 (48.7)
TOTAL CONSUMER GRP	61	30,370.0 (27,088.3)	2,342.2 (2,080.9)	1,896.4 (1,663.8)	+14.0	698.2 (587.8)	1,097.9 (995.2)	+10.3	325.9 (296.1)	+10.1	1,399.0 (1,233.0)	13,564.6 (11,471.7)	17.5 (18.1)	3,673.6 (3,290.0)
CHEMICALS	8	8,095.7 (7,348.6)	591.4 (660.0)	354.9 (429.2)	−17.3	171.2 (164.1)	160.8 (232.3)	−30.8	129.8 (123.7)	+4.9	451.3 (475.0)	6,272.2 (6,148.9)	9.4 (10.6)	1,694.7 (1,607.6)
OFFICE EQUIPMENT	4	4,079.5 (992.5)	156.4 (165.6)	90.5 (127.5)	−29.0	43.9 (55.3)	43.8 (66.0)	−33.6	21.1 (27.1)	−22.1	52.2 (66.3)	984.4 (1,017.5)	13.9 (16.3)	111.7 (129.9)
SHIPPING AND TRANSPORT	11	6,145.2 (4,861.7)	257.7 (270.6)	145.6 (168.5)	−13.6	42.7 (34.2)	87.6 (123.2)	−28.9	46.9 (46.6)	+0.6	175.9 (210.7)	2,487.9 (2,299.2)	10.4 (11.8)	214.8 (179.3)
MISCELLANEOUS	17	2,703.9 (2,616.2)	195.3 (196.4)	142.2 (142.4)	−0.1	49.8 (35.1)	80.9 (91.3)	−11.4	29.7 (25.2)	+17.9	111.7 (122.0)	1,230.9 (1,139.0)	15.9 (17.2)	346.2 (328.6)
TOTAL INDUSTRIAL GRP	175	76,969.9 (68,960.4)	6,361.5 (5,117.9)	3,905.0 (3,811.2)	+2.5	1,470.7 (1,284.9)	2,190.3 (2,269.6)	−3.5	849.5 (804.7)	+5.6	3,301.1 (3,194.9)	38,148.4 (35,134.6)	14.0 (14.6)	10,618.2 (9,971.7)
OILS	9	52,006.9 (45,969.7)	9,100.8 (9,888.2)	7,954.4 (8,861.6)	−10.1	5,629.2 (5,502.4)	1,706.9 (2,493.3)	−31.5	655.7 (630.2)	+4.0	3,459.5 (3,765.4)	24,418.0 (21,145.5)	37.3 (46.8)	4,687.8 (5,250.3)
BANKS	4	— (—)	1,876.1 (1,938.0)	1,514.0 (1,667.2)	−9.2	325.8 (352.6)	1,116.9 (1,287.7)	−13.3	234.3 (200.0)	+17.2	1,164.5 (1,298.9)	13,253.3 (11,134.6)	14.2 (17.4)	−8,204.3 (6,803.0)
DISCOUNT HOUSES	2	— (—)	— (—)	— (—)	—	— (—)	14.4 (5.8)	+148.3	4.1 (3.5)	+17.1	— (—)	*671.2 (*491.0)	— (—)	574.6 (435.4)
INSURANCE (LIFE)	9	— (—)	— (—)	— (—)	—	— (—)	135.4 (112.0)	+20.9	115.4 (92.5)	+24.8	— (—)	30,095.7 (23,987.2)	— (—)	— (—)
INSURANCE (COMPOSITE)	10	— (—)	— (—)	— (—)	—	— (—)	267.5 (369.4)	−27.6	219.1 (205.2)	+6.8	— (—)	22,626.3 (17,707.5)	— (—)	— (—)
INSURANCE BROKERS	4	— (—)	137.8 (114.1)	130.6 (108.4)	+20.5	63.9 (53.1)	65.6 (53.9)	+21.7	28.5 (24.3)	+17.3	50.3 (42.3)	323.5 (272.4)	42.7 (41.9)	42.0 (38.7)
MERCHANT BANKS	4	— (—)	— (—)	— (—)	—	— (—)	48.1 (44.2)	+8.8	17.2 (15.4)	+11.7	— (—)	*7,200.6 (*6,652.2)	— (—)	318.7 (287.7)
PROPERTY	10	— (—)	162.4 (133.4)	75.1 (60.8)	+23.5	23.1 (16.1)	50.3 (42.0)	+19.8	28.6 (21.9)	+30.6	24.2 (21.8)	1,976.3 (1,343.9)	8.2 (9.9)	1.0 (17.4)
OTHER FINANCIAL	7	— (—)	413.3 (391.6)	300.4 (293.9)	+2.2	125.3 (116.9)	144.1 (152.3)	−5.4	45.2 (40.9)	+13.0	141.1 (148.5)	2,091.5 (1,842.2)	19.8 (21.3)	923.5 (859.1)
TOTAL FINANCIAL GROUP	50	— (—)	2,589.6 (2,872.1)	2,020.1 (2,130.3)	−5.2	538.1 (518.7)	1,842.3 (2,067.3)	−10.9	693.4 (603.7)	+14.9	1,380.1 (1,505.5)	†17,642.6 (†14,593.1)	14.7 (17.6)	10,064.1 (8,441.3)
INVESTMENT TRUSTS	57	— (—)	109.2 (103.3)	93.9 (88.3)	+6.3	34.9 (32.4)	57.6 (54.5)	+5.7	56.5 (53.6)	+5.4	1.1 (1.0)	2,511.2 (2,042.4)	4.3 (5.1)	−28.3 (14.9)
MINING FINANCE	1	3,680.4 (3,020.7)	504.1 (456.6)	341.0 (348.1)	−2.0	172.2 (183.3)	98.8 (94.1)	+5.0	41.3 (39.3)	+5.1	317.2 (264.1)	5,569.0 (4,031.7)	9.1 (11.4)	982.6 (807.7)
OVERSEAS TRADERS	9	5,348.3 (5,468.9)	267.1 (268.8)	128.5 (145.4)	−11.6	61.3 (65.5)	55.0 (67.8)	−18.9	46.4 (43.1)	+5.3	68.8 (74.9)	2,029.5 (1,842.6)	13.2 (14.6)	316.4 (282.7)

NOTES ON COMPILATION OF THE TABLE

The classification is that of the Institute and Faculty of Actuaries, used in the daily Financial Times—Actuaries Indices.

Col. 1 gives turnover, exclusive of VAT unless otherwise indicated.

Col. 2 gives profits before interest and taxation, that is to say profits after all charges except loan and other interest but before deducting taxation provisions and minority interests.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 3 gives Pre-tax Profits, that is to say profits after all charges including debentures and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporation taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—
1—Minority interests.
2—All prior charges—sinking fund payments, etc. and Preference dividends and
3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets— excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses and insurance (life and composite).

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

‡ No figures given.

Still pressure on the banking system

NEW YORK

TERRY DODSWORTH

THE third quarter reporting season has given the stock market a shock or two, but it has told investors little that was refreshingly new about what might lie ahead. This week the indices have simply jigged around in the pattern established when the results started to flow heavily in mid October: the dizzy record point of 1284.68 hit by the Dow Jones Industrial Average on October 10 has now been nervously abondoned, but the market is refusing to go into a real retreat. Even the rapid succession of crises in Beirut and Granada failed to shake sentiment very much.

Perhaps the markets have become less sensitive to international politics — gold has certainly not proved to be in demand in the way that it might have been a couple of years ago in similar circumstances — but, in any event, October has flowed by without the slump in equity prices that some bears were predicting at the end of September. Nevertheless, the month has resolved none of the underlying questions about interest rates—and it is on this particular point that stocks seem to be hesitating about which direction they should go.

The sharp rise in the money supply figures a week ago, when analysts had forecast quite the opposite, certainly pulled the bond market up short. Whereas the Treasury long bond price had reached within a whisker of 106 in early October just before the DJ Industrial Average topped out, it has traded at around 102 all this week. Indeed, with its yield at just over 11.70 per cent, it is standing above its average rate since the end of August. This has not taken its cue from short term rates, which have softened slightly this week, with Federal funds down well below the 9.5 per cent rate following some fairly generous intervention by the Federal Reserve Board. Instead, the yield curve has widened a little, reflecting the continuing strength of inflationary expectations, as well as the market's fears about heavy demands on savings to finance the government deficit.

Inflation worries have had little to help them subside this week. The latest consumer price figures showed the rate running at an annualised figure of 6 per cent in September against 4.8 per cent in July and August. Some commentators are suggesting that next year holds out little hope of a decline given the expected rise in food prices.

At the same time, while Mr Paul Volcker, chairman of the Federal Reserve Board, has continued to stress his determination to fight inflation, the figures from the big multinational banks show the limits of his room for manoeuvre.

These results underline that the pressure on the banking system remains intense—and the market is well aware that lower dollar interest rates would help the debtor countries and therefore the banks. So the Fed is left with the delicate task of steering towards easier credit without going too fast to stir up renewed inflationary anxieties. The difficulties of achieving this middle course are now being demonstrated in the long bond price.

Wall Street's problem with all this is that it has already taken aboard virtually every positive factor which can be derived from the earlier fall in rates. The equity market has risen by 65 per cent since it came off the bottom of 776.92 on August 12 of last year. In past cycles it has taken around two and a half years to rise as much. Hence the need for a further strong and positive lead from interest rates to push the industrial average much higher.

In the steel industry, for example, practically all the big companies have been able to show substantial cuts in losses—indeed, U.S. Steel, by virtue of Marathon, its oil subsidiary, and National because of its favourable product mix, have broken back into profit. But stripping out the distorting factors—of which there are an enormous number, given closures, redundancies and accounting changes—the sector is moving back to respectability. What it needs now is broader markets and renewed investment from the rest of industry.

The oil industry has shown a similar resurgence. While production has remained stagnant, the oil companies have shaved costs through distribution reorganisation and severe pruning in refining.

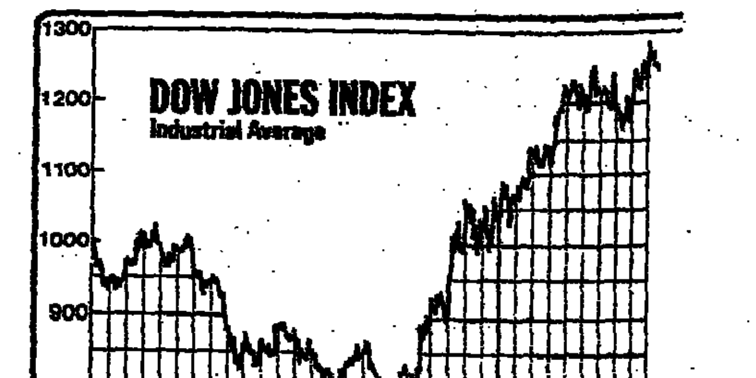
At the forefront of the consumer boom, the motor industry has shown in a much more spectacular way how a lower cost base and factory break even point feeds through into cash flow once demand picks up: All the big three producers have produced dramatic improvements—General Motors from net profits of $129m to $737m, Ford from losses of $325m to a profit of $333m, and Chrysler from earnings of $5.4m to $100.2m, the latter despite having paid back $800m of federally guaranteed loans.

The equity market's reaction to these solid improvements, backed up by a number of dividend increases has been anything but ecstatic. Texaco, for example, fell back $1¼ to $35¾ after announcing an earnings increase from $1.16 a share to $1.28. Even General Motors' exceptional jump from 41 cents a share to $2.33, was shrugged off with a $½ rise to $78¾, all of which was lost again on the following day. By contrast, shares in Data General, one of the former computer high fliers which had fallen on high times, spurted $4¾ to $71¼ when it came in with fourth quarter net earnings of 85 cents against 5 cents a year earlier.

The difference between Data General and the rest is that no one seems to have been expecting it to show much improvement at all, especially at a time when the whole of the sector is being watched nervously to see who next victim to the inexorably expanding IBM machine. On the other hand, the recovery of the motor industry and, to some extent the oil majors, has been lit by neon lights.

But there is perhaps a further reason for the lacklustre response to the quarterlies so far. U.S. industry is showing very few signs that the recovery is seeping through into new investment. This was notable in the steel industry results, where the upturn in demand is almost exclusively from consumer related areas, while it is striking that many of the slimmed down industrial giants have been improving their cash position by trimming capital expenditure. The market has worries about this state of affairs. To generate a sustained recovery in earnings, the corporate sector clearly needs net investment moving ahead, but when companies make the plunge, there is a big question mark over funding. Corporate cash flow, however much it has improved, cannot bear the burden alone. This is why the potential clash of funding between the private and public sectors is keeping analysts' flowing on Wall Street—and markets on their toes.

MONDAY	1248.98	+
TUESDAY	1252.44	+
WEDNESDAY	1241.80	
THURSDAY	1242.07	



U.K. CONVERTIBLE STOCK 29/10/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates‡	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Cv	Income Diff	Cheap(+) Dear(−) Current
British Land 12pc Cv 2002	9.60	300.50	333.3	80-91	4.0	0.7	1.3	6 to 8	44.3	55.9	4.9	+ 3
Hanson Trust 9½pc Cv 01-06	81.54	212.00	107.1	85-01	4.6	2.2	−4.9	− 6 to −2	149.1	72.2	−34.1	−29
Slough Estates 10pc Cv 87-90	5.03	238.50	234.4	78-84	4.3		−4.9	−12 to −1	8.6	4.9	− 0.7	+ 4
Slough Estates 8pc Cv 91-94	24.72	108.50	97.5	80-88	7.6	7.0	4.0	−38 to 14	21.3	28.4	6.8	+ 2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◇ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ○ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is necessarily the last date of conversion.

...ax Bill boost ... fields' ...opment

...auley

...in tax relief for ... Oil Exploration ... sharing assets such ...s was announced ...ernment in the Oil ... Bill published

...oposal was an... the Budget but ...e the Finance Bill ...shortened when the ...lection was called, ... a major developer ... lose petroleum ...x relief if it allows ...per of a neighbour... ...ield to use its pipe... ...shore facilities. ...l remove fiscal dis... to shared use of ...ch might so far have ...d development of ...ller or marginally ... fields unable to ...ir own pipeline. ... same time as the ...troduced, payments ... the pipeline to its ...ll also come into ...or tax. The first ...anes of oil per half... ... each field will be ...rom the tariff tax. ...be raised to 375,000 ...r half-year where ...s were made on or ...y 7 last year. ...imated the changes ... the Inland Revenue ... this financial year, ...cost of the relief ... the estimated ...om the new charges. ...ire years, however, ... for use of shared ... should mean an esti... ...m of income for the ...evenue, after allow... ...w reliefs. ...osal in the Oil Taxa... ... will allow the Gov... ... to apply the petro... ...enue tax charge to ...r the use of shared ...ch as pipelines if the ... foreign waters, such ...elgian, but the oil is ...re to Britain. ...eceipts, however, will ... taxed if taxation by ...an one country is ...r relieved.

... to exempt ...k Exchange ... next month

... Riddell, ... Editor

...LL to exempt the ...change from proceed... ...der the Restrictive ... Act is likely to be ...d around the middle ...mber. ...sions are continuing ...ndling the legislation, ... committee stage is ... be taken on the floor ... Commons. This is ...ecause it will be a ...ll and there is a de... ...avoid delay by taking ...standing committee. ...Bill is the result of ...nts between the Gov... ...t and the Stock Ex... ...over changes in the ... rules, including the ... fixed commissions. ...ion is necessary to ...al action brought by ...ce of Fair Trading. ... Labour and the Alli... ...rongly oppose the Bill. ... some Tory MPs are ...d to have reservations ...arious aspects, signifi... ...position from the Gov... ...d side is unlikely.

...il Service ...s 'on course'

...r Owen

...iovernment's drive to ... a smaller and more ...t Civil Service would ...en new impetus with ...idespread introduction ...w technology in the ... Revenue and other ...ments. Mr Barney ...e, Treasury Minister of ... assured the Commons ... day. ...s to cut the size of the ... Service to 630,000 by ... April were "steady on ...," he said. "We may ...o a little bit better." ... July 1, the number of ... servants had been ...ed to 642,800—there ... 732,000 when the Con... ...ives took office in 1979 ... he expected the ...er figure to show a ...er significant reduction. ..."e now have the smallest ... Service than since the ...d World War." ... Bayhoe envisaged that ... savings of 6,800 would ... from full computerisa... ... of PAYE tax, which ... also provide greater ...ncy and flexibility in ...ment.

...bs for 200 ... Tesco depot

... hundred extra jobs for ... Kent were announced ...day by Sir Leslie Porter, ...chairman, when he dis... ... plans to open a new ...al distribution depot at ...l. ...Leslie, welcoming Mr ...k Jenkin, environment ...ary, to the former Metal ...tory site, said that Tesco ...to acquire, repair and ...ish it.

Margaret Van Hattem examines the Labour leader's task of choosing a shadow cabinet

Kinnock faces first real test of strength

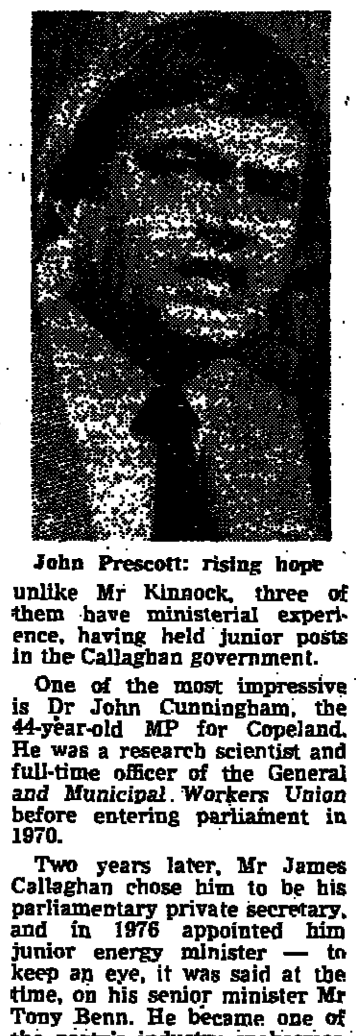
THE FIRST real test of Mr Neil Kinnock's leadership comes this weekend as he allocates portfolios to his newly-elected team of shadow ministers.

Mr Kinnock will have to be tough with some senior members of considerable ministerial experience who have indicated their reluctance to let go of the plum portfolios. Mr Michael Foot's failure to deal with this problem in last year's shadow cabinet re-shuffle did a lot to undermine his authority in the party. Those MPs who did not vote for Mr Kinnock as leader, regarding him as a junior version of Mr Foot, will watch closely this first test of strength.

There are signs already of a more flexible approach to the role of the shadow team, which may be structured more to suit Labour's campaigning priorities than to trail individual government ministers. The team elected on Thursday night gives Mr Kinnock plenty of scope to make imaginative appointments if he wishes.

Mr Roy Hattersley, the deputy leader, and the four other right wingers who were at the top of the poll—Mr Denis Healey, Mr Gerald Kaufman, Mr Peter Shore, and Mr John Smith—all have a strong claim on the heavyweight portfolios. Mr Hattersley is favoured for the job of shadow chancellor, and Mr Healey is expected to retain the foreign affairs portfolio. Mr Kaufman is being tipped for home affairs, but there could be problems finding something to satisfy Mr Shore. Many will watch to see what Mr Kinnock does with the six newcomers to the team.

The new members have an average age of 44, representing the new Labour generation but,



John Prescott: rising hope

unlike Mr Kinnock, three of them have ministerial experience, having held junior posts in the Callaghan government.

One of the most impressive is Dr John Cunningham, the 44-year-old MP for Copeland. He was a research scientist and full-time officer of the General and Municipal Workers Union before entering parliament in 1970.

Two years later, Mr James Callaghan chose him to be his parliamentary private secretary, and in 1976 appointed him junior energy minister — to keep an eye, it was said at the time, on his senior minister Mr Tony Benn. He became one of the party's industry spokesmen after Labour's election defeat in 1979, and easily outshone Mr Stan Orme, the chief spokesman.

One of the best organisers on the right wing of the party, he worked closely with Mr John Smith in running Mr Hattersley's campaign for the leadership. He received much of the credit for Labour's victory in the Darlington by-election earlier this year. His union background and pre-eminence in the northern group of Labour MPs give him a strong base in the party, reflected in the fact that he came fifth in the shadow cabinet poll.

Mr John Prescott, 45, who came sixth, is one of the rising hopes of the Labour left. He was the only left winger in the top half of the poll for the new team. Mr Prescott has been MP for Hull East since 1970. He was Mr Peter Shore's parliamentary private secretary for two years when he was at the Department of Trade. In 1975 he became a member of the European Assembly, where he was a pugnacious champion of the rights of British fishermen and leader of the Labour delegation until 1979.

Mr Prescott did not contest the 1979 European elections, concentrating on Westminster where he was soon promoted from transport spokesman to regional affairs spokesman. A former merchant seaman and officer of the seamen's union, he is rooted firmly on the left of the party, but he has remained remarkably aloof from Labour's internal battles of the past few years.

Mr Barry Jones, 45, entered parliament in 1970, became parliamentary private secretary to Mr Denis Healey two years later. He has remained a close and loyal supporter of Mr Healey ever since. Mr Jones joined the Welsh Office as a junior minister in 1974 and be-

Robin Cook: formidable youngster

came employment spokesman in opposition. He is respected for his performances in the House and his solid work on the Public Accounts Select Committee. However, he is not regarded generally as a high flyer.

Mr Robin Cook, 37, is the youngest member of the shadow Cabinet, but is one of the more formidable as a Commons performer. He entered Parliament in 1974 but failed to really make his mark until he joined the team of Treasury spokesmen in 1980, where he established a high reputation on both sides of the House. A short, red-bearded Scotsman, his gnome-like appearance belies a peppery temper which has made him one or two enemies. He is deeply loyal to Mr Kinnock, whose leadership campaign he organised, and on whose behalf he has engaged in a certain amount of knifework. They are attuned closely on policy, especially on defence and disarmament. Mr Cook has neither the experience nor enough votes in the election to expect a top post such as shadow Chancellor this time, but it is unlikely he will have to wait many years for such a position.

Mr Michael Meacher, 43, is the only candidate of the far left to make the shadow team. He is also the most experienced of the newcomers. He served as junior minister for industry and later health and social security in the Wilson government, and under secretary for trade in the Callaghan government. Mr Meacher went to public school and graduated from Oxford and the London School of Economics. He is associated closely with the middle class far left group around Mr Tony Benn and is having some difficulty in shedding the label "Benn's representative on earth." A former lecturer in social administration, and a hard-working member of the influential Treasury and Civil Service select committee, he is credited with high intelligence, but erratic political judgement.

Mr Giles Radice, 47, is the oldest of the newcomers but the least experienced. He is an Oxford graduate and the first Wykehamist to serve on the shadow cabinet for some time. Mr Radice was head of the research department of the GMWU for seven years and is a former chairman of the Fabian Society. He entered parliament in 1973 and served in opposition as a spokesman on employment and foreign affairs. Affable, intellectual and easy-going, he is regarded as a solid presence rather than a high flyer.

British Steel near to £27m deal with TI

BY PETER BRUCE

THE British Steel Corporation and TI Group are expected to announce an agreement in the next few days to combine production of their small diameter, seamless tubes businesses. Negotiations have lasted 14 months on the £27m joint venture.

A new company, Seamless Tubes, in which BSC will have a stake of just under 75 per cent, will combine TI's seamless mill at Wednesfield producing 150,000 tonnes a year and the specialised finishing facilities at BSC's Corby tube works, where seamless tube is prepared for the oil and gas exploration market.

Corby's 30-year-old seamless tube mill, which has a capacity of some 55,000 tonnes a year, will close.

About 350 jobs at Corby and Wednesfield will be affected. It is understood that the joint venture will employ 1,300 people.

One likely target for a second joint venture will be both groups' cold-drawing operations. This would involve the tube-drawing (stretching) plant at Corby, which produces 30,000 tonnes a year, and two TI companies, TI Tubes and TI Accles & Pollock.

The terms of the seamless-tube agreement are unlikely to satisfy calls within the Government and from industry for greater privatisation of BSC.

In effect, the corporation will take control of a bigger, newer and more efficient mill than the one closing at Corby. Wednesfield also produces commercial-grade seamless tube. BSC has largely avoided this market by concentrating on the more expensive "oil country" grades.

TI, however, would probably have been satisfied with lower stake in the new venture, despite contributing more than half to Seamless Tubes' £27m assets. Its steel tubes business has been trading at a loss since the middle of last year.

Richco Bullion to close its London operation

BY JOHN EDWARDS, COMMODITIES EDITOR

RICHCO BULLION, an affiliate of the troubled Marc Rich commodity trading group, confirmed yesterday that it was closing its operations in London markets. It said that the recent unfavourable publicity surrounding the group had made it impossible to continue trading but emphasised that there would be an orderly withdrawal from the markets with all its liabilities being met from within the group.

Richco Bullion in London is a subsidiary of Richco Trading in Curacao, a tax haven country in the Netherlands Antilles group of islands.

Richco Trading was set up by shareholders in Marc Rich to spread the group's trading activities further than the two main areas of oil and metals. It handles the group's involvement in grain and sugar trading, as well as the financial markets and precious metals.

Warrants for the arrest of Marc Rich and his colleagues Pincus Green were issued in New York last month on charges of racketeering, fraud, tax evasion and illegal oil trading with Iran.

Claims by the U.S. Internal Revenue Service are believed to have brought the group's activities in North American markets virtually to a standstill with an inevitable effect on its trading activities outside the U.S.

The London company, which was set up about 2½ years ago, is a non ring-dealing member of the London Metal Exchange (that is, it does not have a seat on the exchange); an associate member of the London Gold Futures Market; and a seat holder on the London International Financial Futures Exchange.

Electrification approved for Tonbridge-Hastings line

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

Tonbridge-Hastings railway line in south-east England will start almost immediately following the Government's long-awaited approval yesterday of British Rail's plans.

The £23.9m scheme, scheduled for completion in May 1986, was presented by BR as the most cost-effective solution to the problems posed by the 28-mile route.

Electrification by the third-rail system will enable BR to use standard Southern Region electric trains to replace the ageing diesel-powered rolling stock which had been specially adapted for the three narrow tunnels on the route. Refurbishment of this rolling stock would have cost £27m.

The tunnels had to be shored up by additional brick linings after they were found to have been badly constructed. The double track in the tunnels is to be converted to single track.

The last time government approval was given for a BR electrification scheme was on the London-Ipswich-Norwich route three years ago.

BR is anxious to secure approval for the electrification of the East Coast main line between London and Newcastle, whose estimated cost is £240m including new electric high speed trains.

The Government has made it clear that approval for this scheme will be given only if BR can show that its Inter-City business is viable.

BSC executive will head British Technology Group

BY OUR INDUSTRIAL EDITOR

MR COLIN BARKER, former finance director of the British Steel Corporation, will succeed Sir Frederick Wood as chairman of the British Technology Group from November 1.

Mr Barker, aged 57, who completed three years with British Steel yesterday, was previously general manager of ITT's European consumer products group.

His first task at British Technology will be to develop a corporate plan for the group, laying down the guidelines for its new role as a stimulator of innovation and a vehicle for translating research ideas into commercial successes.

The plan will probably speed the disposal of the group's assets in about 60 high technology companies, refugees from its earlier existence as the National Enterprise Board.

Sir Frederick, who has overseen the merger of the National Enterprise Board with the National Research and Development Corporation to form the British Technology Group, earlier made it clear that he wished to go as soon as a successor could be found.

Mr Barker is the only British Steel Corporation board member recruited by Mr Ian MacGregor, the recently departed British Steel chairman, was closely associated with the corporation's attempt to link its Ravenscraig steel-making capacity with U.S. Steel.

Esso chief identifies need for 90 new N. Sea fields

BY MAURICE SAMUELSON

BRITAIN WILL need a further 90 oil and gas fields in the North Sea in addition to the present 40 if it is to stay self-sufficient beyond the end of the century, it was claimed yesterday.

The figure was given by Mr George Uthlaut, managing director of Esso, who called for an "all-out effort" by industry and the Government to permit the development of eight to 10 new oil and gas fields a year.

Mr Uthlaut, speaking in Dundee, said this pace of development depended on keeping the favourable investment climate which had brought North Sea activity in 1983 to its highest level for years.

"Over the past few years, the combination of smaller discoveries and an onerous tax regime, viewed against the background of falling oil prices, was stifling the development of new fields," he said.

The major improvements announced by the Government this year had created an economic climate which was stimulating renewed effort. Field development plans were coming forward, projects that had been shelved were under appraisal, and firm contracts and orders were beginning to be placed.

The speed of development would also be influenced by the Government's policy on licensing. Mr Uthlaut said licensing rounds should be conducted about every two years and contain areas of geological interest both in the established regions and in frontier basins.

A further factor in the development of gas resources would be a relaxation in pricing. Their full potential would not be realised unless gas prices were brought closer into line with the international market.

Court rules against Overseas Containers

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE Commercial Court has ordered Overseas Containers to pay £27,965 damages for a cargo of food which decayed on voyage because a refrigerated container's temperature control was incorrectly set.

The company had admitted liability, but contended that, under the contract, it was entitled to limit the damages to £17,370 (£11,600).

Mr Justice Bingham said that Overseas Containers contracted with Mayhew Foods to carry chicken and turkey portions from Uckfield in Sussex to Jeddah, Saudi Arabia.

The container was shipped at Shoreham, Sussex, off-loaded and stored at Le Havre and then loaded on to another vessel for shipment to Jeddah.

On arrival permission to discharge the container was refused because its contents had decayed and offensive juices were reported to be dripping from it.

It was discovered that the temperature control on the container had been set at +2°C to +4°C instead of at −18°C.

The cargo was eventually returned to Mayhew, which sold it as animal food at 2p a pound.

Overseas Containers claimed that it was covered by a clause in the carriage contract limiting the amount of compensation payable to the shipper in the event of loss or damage to the cargo.

Mayhew contended that this contractual limitation was overridden by the 1971 Carriage of Goods by Sea Act and the Hague-Visby Rules, an international agreement governing the carriage of goods.

Mr Justice Bingham said Overseas Containers argued that the Act and Rules did not apply while the container was ashore at Le Havre because the cargo was not then being carried by sea; and that the cargo had already deteriorated by the time it left Le Havre, and that Mayhew had not suffered further damage thereafter.

The judge said the Rules did not apply until shipment at Shoreham because, under the Act, they had the force of law only "in relation to and in connection with the carriage of goods by sea in ships."

From then on they applied at all times, unaffected by Overseas Containers' decision to off-load, store and re-ship at Le Havre—those being operations "in relation to . . . the carriage of goods by sea . . ."

Life groups plan tighter sales ethics

By Eric Short

BRITAIN'S LIFE associations yesterday unveiled their proposals for protecting clients from incompetent or dishonest life assurance salesmen.

The main suggestion is that no one should be allowed to sell life assurance unless he or she has a certificate from a central controlling body.

The draft scheme, prepared after several months' discussion among the Life Offices Association, the Associated Scottish Life Offices, and the Industrial Life Offices Association, says all salesmen should have to meet minimum standards of training, supervision and ethical conduct.

It also proposes a central register of people who have been refused a certificate or had a certificate withdrawn because of "malpractice or dishonesty."

All life companies should be obliged to consult the register before hiring a new salesman, the draft says.

At present, only insurance brokers are vetted before registration. There are no official controls on the activities of any other life assurance intermediaries.

The UK branch of the Imperial Life Assurance Company of Canada last month introduced a licensing system for its 400 salesmen.

Mr Roger Wain, Imperial's chief UK executive, proposed it as a pilot scheme not only for his own company but for the whole UK life assurance industry.

Details of the proposed scheme are being sent to various industry and consumer groups, including the National Consumer Council, the Consumers' Association, the Law Society and the Confederation of Insurance Trade Unions, for discussions and comment.

Stock aimed at high tax payers

THE Bank of England yesterday issued two small tranches of short-dated, low-coupon stock aimed primarily at high taxpayers.

The Bank said it was issuing an additional £100m of 3 per cent Treasury stock maturing in 1986 and £150m of 2½ per cent Exchequer stock maturing in 1987.

Both are existing stocks, and dealing in the new "tranchettes" starts on Monday.

The issue is part of a continuing funding effort after heavy sales of gilts in the past three months. These particular stocks appeal to high taxpayers, because a majority of the yield to maturity comes in the form of a short-term capital gain which is untaxed.

An investor paying the top marginal tax rate could expect an after-tax yield approaching 6 per cent a year from these stocks if he held them to maturity. This compares with an after-tax yield of only about 2½ per cent a year for the top-rate taxpayer from conventional gilts.

Ford unions throw out 4.1% pay offer

BY BRIAN GROOM

FORD YESTERDAY made an opening pay offer worth 4.1 per cent to its 44,500 hourly-paid workers. It was rejected as "utterly unacceptable" by union negotiators.

There were no spontaneous strikes in the company's 24 plants such as those which recently accompanied a similar opening offer at Vauxhall. Yet Ford workers are unlikely to be happy with anything less than the 7.75 per cent for which Vauxhall workers eventually settled.

Ford's offer comprises a 4 per cent increase in basic rates and a 5.5 per cent rise in attendance allowances. It rejected a claim for an extra seven days' holiday, and improvements in lay-off, sickness and pension schemes.

The offer on basic rates and attendance supplement combined would give day workers a new scale of £113.94 to £147.14 for a 39-hour week. Most workers do alternating fortnights of days and nights, and their new scale would be £131.76 to £170.16.

Unions are claiming 15 to 16 per cent increases on basic rates. Mr Ron Todd, national organiser of the Transport and General Workers' Union and leader of the union side, said he wanted meaningful negotiations when the two sides met again on November 14.

Mr Paul Roots, Ford employee relations director, told the unions that the company was suffering from high labour costs because of overmanning, inefficient working practices and failure to achieve production targets.

"This year, to date, we have achieved only 62 to 64 per cent of capacity at Halewood and Dagenham against 100 per cent at Saarlouis in West Germany and 96 per cent at Valencia, Spain," he said.

"If we do not get our costs down we cannot compete and if we cannot compete we will not survive in Britain as a manufacturing company." Unions have warned that more than 50 per cent of Ford's 1983 UK sales may come from abroad. Mr Roots said however, that if costs came down and output rose, more cars could be made in Britain.

Ford replied to a union estimate that it would make an operating profit as sales rose this year of £143m—nearly 30 per cent up on 1982.

"It does not take into account the extremely costly marketing support which has been required to achieve our share of the UK domestic market in the face of severe competitive pressures," Mr Roots said.

He added: "It also looks a poor return — only 3.6 per cent when related to your estimate of revenue of £4bn." Ford's return on sales had fallen from 10.3 per cent in 1979 to 3.3 per cent last year, he said.

He said that a 25 per cent increase in Ford wage rates in Germany in five years had been paid for by increased efficiency but only half of the 81 per cent increase in Britain had been offset by increased productivity.

Plea for minimum wage in NHS contracts rejected

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE Government has turned down a plea from private cleaning contractors that it should stipulate a minimum wage clause in future contracts.

The Contract Cleaning and Maintenance Association told Mr John Patten, a junior health minister, that failure to stipulate a minimum wage in health service cleaning contracts could result in lower standards and extensive wage cutting and bring the Government's privatisation programme into disrepute.

In a letter to Mr Norman Fowler, Social Services Secretary, the association says: "It is not in the interests of the industry, or of the overall move towards the private provisions of those services, if the companies that are awarded contracts are deemed by the outside world to be behaving irresponsibly.

"We believe it is in the interests of both the industry and the Government that the changes involved in contracting out should be introduced as smoothly as possible. In particular we believe that allegations of paying excessively low wages could be very damaging."

Several contractors have said they will be forced to lower cleaners' wages—now £2.12 an hour in London—to obtain government contracts in the future.

The crackdown by government on costs has coincided with the abolition of the Fair Wages Resolution, which had set government cleaning wage rates at the same level as those of local authority manual workers.

The Government's case, reaffirmed at the meeting by Mr Patten, is that health authorities must be satisfied with the technical competence and financial viability of companies selected for contracts and that this will ensure that no cowboy operators are employed and that standards do not suffer.

The Government believes that wage rates in this and other sectors should be lowered to help create employment and assist the Government in cost cutting.

The association is to tell its members to tender for contracts on the basis of existing rates, but many members already believe these will be impossible to maintain.

Metal Box closures row

BY NICK GARNETT, NORTHERN CORRESPONDENT

THE ACTION committee opposing the closure of Metal Box's plastic containers factory at Bromborough on Merseyside accused the company yesterday of "systematically" closing plants in the UK while increasing investment abroad, particularly in South Africa.

The statement from the committee at the plant said that last year the company received £8m in government grants but cut its workforce by 2,000. The plant has made losses of about £1.5m over the past three years and is due to shut in January with the loss of 470 jobs.

Since the end of 1979 Metal Box has closed 14 plants in the UK and cut its labour force by more than 10,000 to 22,500. Its workforce in South Africa has risen from 8,700 to 10,000 over the same period.

The company said yesterday that it invested substantially abroad last year but had invested heavily in the UK over many years. "What is needed now is a return on that investment," it said.

The company is now restructuring some of its South African operations. Metal Box South Africa's steel-tube and piping interests are being merged with the similar interests of Barlow Rand's Nampak subsidiary. Metal Box is taking a 25 per cent stake in Robor, the umbrella company for these activities.

At the same time Metal Box is reducing to 25 per cent its 51 per cent shareholding in Metal Box South Africa, which is taking over Nampak's packaging interests.

Homes workers told to step up action

RESIDENTIAL SOCIAL workers throughout Britain are being urged by the National and Local Government Officers Association to step up industrial action over their claims for a shorter working week and unsocial hours payments.

Nearly 600 residential workers in more than 65 homes are on indefinite strike and more than 5,000 residential workers have struck for a day or longer.

Numbers fall in BT privatisation dispute

By Our Labour Staff

BRITISH TELECOM yesterday claimed a slight fall in the number of engineers taking part in action against the Government's privatisation proposals, from 2,200 to 2,150.

At the same time the Post Office Engineering Union claimed a further 20 members of its Westminster branch had been warned of disciplinary action because they had refused to work. As with previous warnings action is suspended until after the union's special conference in a week's time.

CEGB reinstates scientist

DR ROSS HESKETH, the scientist who claimed that British civil plutonium was exported for use in the U.S. weapons programme in the 1960s, will be re-engaged by the Central Electricity Generating Board.

However, he will be on sabbatical leave throughout the period of his re-engagement from November 1 until next July 31 as part of an agreement negotiated by his union, the Electrical Power Engineers Association.

Dr Hesketh will be 55 by July 31 and will then take early retirement.

Dr Hesketh has written to Mr John Lyons, EPEA general secretary, accepting that "some of the remarks attributed to me" caused distress to the board and individual colleagues.

His letter states: "In particular, remarks which accused the CEGB of having within it a 'bomb lobby' and of having constituted a 'kangaroo court' were deeply offensive.

"I would not at the time have allowed these expressions to be attributed to me had I not been under considerable personal pressure. I would like to take this opportunity to dissociate myself entirely from such accusations."

Dr Hesketh has withdrawn an application to an industrial tribunal claiming unfair dismissal, which the EPEA feared he would lose. He was sacked on June 8.

SAVINGS OFFERS

INVESTING IN RETIREMENT

A last gasp pension plan

CHRISTINE STOPP continues her series with the case of a small businessman and his wife who have just retired.

STANLEY WICKFORD, aged 65, and his wife Mary, 63, recently retired after selling their high street butchery business. The Bristol unit trust brokers, Hargreaves and Lansdown, who featured in last week's case study, devised a plan to help them invest their capital.

The amount involved was quite significant—£96,000, made up of £59,000 from the sale of the business, £22,000 in the *building society, £10,000 in* National Savings Certificates and £5,000 in a short-dated gilt. Stanley and Mary have two *married sons and three grand*children. They decided to retire, though both in good health, to spend more time with their grandchildren and because they felt their capital would keep them comfortably and leave something for the family to inherit on their deaths.

They therefore wanted a fairly high, tax-efficient and regular income, as well as some growth. The portfolio suggested to them by Hargreaves and Lansdown is shown in the table, along with the projected income and tax liability. An important part of their retirement planning was the use of personal pension plans to convert capital into earned income.

Having both worked in their business, Stanley and Mary were in an ideal position to take advantage of the tax reliefs available on personal pension plans. Neither of them had made any pension contribution at all to a private plan during their working career, so they had several years' unused relief to be taken up.

People born after 1933 can put 17.5 per cent of their eligible earnings into a personal pension plan. If, like Stanley, they are born in 1918, they can *put up to 20 per cent into a* plan under the current rules. "Eligible earnings" are those which are not covered by a company pension — in other words, a self-employed income, or employees' earnings where the company does not have its own pension scheme.

If you want to make regular or lump sum contributions to a personal pension plan, and have not done so in the past, you can go back over six full years before the current year to "mop up" unused relief. So if Stanley had earned £10,000 each year in his last seven years at work, he could have made pension contributions up to £12,000 to cover those years. He could also *have offset part of the* contributions against last year's, as well as this year's income, because this year's on its own *would not offset the full amount.*

In Stanley and Mary's position, the personal pension provisions can be used in a particularly beneficial way. Provided you are over 60, you can make a lump sum contribution to a personal pension plan, up to *the limit dictated by your earn*ings, and retire the following day. You take the maximum tax-free capital allowed by the scheme, as well as a pension for life, or for you and your spouse's joint lives. All you are doing is buying a pension annuity in the normal way, but all the tax advantages are concentrated into a short period.

Stanley decided not to put the full £12,000 suggested into the plan.

The lump sum used to buy a plan was £9,000, and the company concerned was Norwich Union. As a basic rate taxpayer, Stanley was entitled to 30 per cent tax relief on this single premium pension contribution, making the net cost to him £6,300. He was able to take a tax-free lump sum of £3,000, which meant that only *£3,300 was now tied up in the* pension. The income offered was £732.28 a year. In other words, the income as a percen*tage of capital committed* was just over 22 per cent. Had he been paying tax at higher rates, the return would have been even better.

It is important to get the timing right when contemplating a pension contribution of this sort. The lump sum must be paid before April 5 in the last tax year during which you are still earning, because the pension contribution can only be offset against income earned before retirement. Finding the best deal is a question of energetic shopping around. The company's investment record is irrelevant; what matters is the annuity rates. To set such a plan up, though, you will need the help of a specialist broker.

One advantage of buying a pension in this way is that it *creates earned income for tax* purposes out of a capital sum, so that there is no liability to investment income surcharge. After discussion, Hargreaves and Lansdown suggested that Stanley and Mary improve on the original scheme by taking out a Hancock annuity for Mary, which would generate earned income for her as well.

A Hancock annuity based on a single premium payment is just like the plan taken out for Stanley, except that Mary can't take tax-free cash.

This type of annuity can be bought by a company for an employee who has no other form of company pension, and can be offset as a business ex*pense in the year of purchase.* Here again timing was important, and close liaison was necessary between Hargreaves and Lansdown and the accountants handling the sale of the Wickfords' business, which bought the annuity for Mary.

A disadvantage of this type of annuity is that it must be for the sole benefit of the employee concerned. It cannot be written on Stanley's and Mary's joint lives. However, the annuity could be *guaranteed for* 10 years. In other words, the income would be paid for 10 years, whether the annuitant lives that *long or not. If Mary* survives for longer, it will still be payable until her death and the statistical likelihood is that she will outlive her husband.

An annuity like Mary's would, of course, count as income for age allowance purposes, though in the Wickfords' case the age allowance has *already been lost* because their income is over £9,040. However, since it counts as earned income, the annuity will mean *Mary can use her wife's earned* income relief to offset it. Since the annual income from the annuity is only £1,500, and the relief is £1,785, Mary's income from this source is effectively tax free.

STANLEY AND MARY WICKFORD: SUGGESTED PORTFOLIO

	Capital £	%
Building society	10,000	10.5
National Savings Certificates	10,000	10.5
Pension plan	6,000*	6
Unit trusts: income	30,000	31
gilts	20,000	21
U.S. growth	10,000	10.5
Guaranteed income bonds	10,000	10.5
	96,000	100

* Net of tax at 50 per cent, Stanley's projected tax rate in his last year before retirement.

Projected tax and net spendable income

	£	£
Earned income:		
State retirement pension		2,733
Personal pension		1,650
Investment income:		
Unit trusts—income	2,250	
gilts	2,200	
U.S. growth	600	
Building society	1,028	6,078
		10,461
Less tax:		
£2,795 @ nil		
£7,666 @ 30%		2,300
		8,161
Plus tax-free income		
Guaranteed income bond		900
Net spendable income		9,061

OFFSHORE ROLL-UP FUNDS

Preparing for the Christmas cash-in

MANAGERS of the offshore "roll-up" funds are bracing themselves for hectic trading in December in advance of the January 1 introduction of income tax on profits from the funds.

Merchant banks like Hill Samuel and Rothschilds, which runs the biggest fund, are booking up hotel rooms for extra staff in the Channel Islands, and expanding computer capacity to cope with the expected rush as investors withdraw their money. Those UK residents wishing to stay on may be obliged to "bed and breakfast" their positions, by withdrawing their money to establish their capital gains, and then returning it.

For tax reasons, the work has to be done outside the UK even though it would be more convenient for managers to handle the work in London where the necessary manpower and equipment are available.

The funds, which now have about £1.5bn, invest in money market instruments in various currencies. Some give investors a chance to "play" the foreign exchange markets as well as obtain a yield. But their main appeal arose from an ambiguity of UK tax law that *allowed profits* to be treated as capital gains rather than investment income, which is subject to a higher tax rate.

On September 15, the Chancellor pulled the rug from under the funds by announcing that they would be subject to income tax from January 1, though he left the precise legislative details till later.

Most investors are now expected to withdraw their money. But they will probably leave it as late as possible to benefit from the tax advantage. Fund managers fear that the flood of redemptions will come *just around Christmas when the* postal service is already clogged with mail, and the financial markets are thin because of the holiday season. So they are advising customers to sell a little earlier.

Ideally, though, they want investors to stay with the funds, *so they are pressing the Inland* Revenue to clarify the new tax position. Fund managers are holding a meeting on Monday to decide on a joint approach to the Treasury.

All that is clear so far is that investors will be subject to income tax, only when they withdraw money from the funds. Thus a liability to tax can be deferred until the investor is in a lower tax bracket, eg on retirement.

But what of profits that come from currency gains rather than interest? Will they be treated as capital gains? And if investors want to crystallise profits before the December 31 tax deadline but stay in the funds, will they be obliged to "bed and breakfast," by delivering their certificates to the Channel Islands (again through the Christmas mail) and receiving new ones?

The fund managers are pressing the Revenue to save them and investors aggravation and paperwork by not requiring bed and breakfasting. *Instead,* investors staying with the fund would simply have their profits up to December 31 treated as capital gains under the present tax regime. Thereafter, the new rules would apply automatically.

But the Revenue, while apparently sympathetic, seems to be in no hurry to shed light. The latest word is that the details of the new rules will not be published until December.

The funds are saying that the administrative costs of the changeover should not cut into the funds' yields. But they warn that the uncertainty is preventing them from investing in longer-term instruments, and this could result in lower returns over the next two months.

David Lascelles

Gilt profits in tougher times

JEREMY STONE surveys the returns on Government securities with *different maturity dates*

GILT-EDGED securities—the supposedly rock solid stock which the Government sells in order to finance the public sector deficit—have gained a chequered reputation with investors over the years. They are liable to fluctuate unpredictably in price and, except for the index linked stocks introduced since March 1981, their real value at maturity has tended to shrink alarmingly under the ever-rolling tide of inflation.

Large quantities of gilts are nevertheless held by private investors, generally because the high nominal yields available during the 1970s encouraged stockbrokers to include them in clients' portfolios as a way of raising the income above what could be achieved with equities alone.

Whether inflation has been conquered by a few years of monetarist economic policy, or has merely been held under control by the hiatus in economic growth, the rapid fall of the inflation rate in the past two years has meant that it has been possible to buy a wide range of gilts in the reasonable expectation of making a real capital gain.

There have been times when an investor—or speculator—needed no more than a pin to pick out the stock into which he was going to plunge.

The chart—which shows the relation between maturity dates and yields over the past two years—demonstrates that by riding a fall of nearly five percentage points in yields almost anyone could have made a capital gain of around 40 per cent in the year between October 1981 and October 1982.

In the last year, however, the chances of making money in the gilt-edged market have depended to a much greater extent on selecting the right stock. It has been much more profitable, in terms of the drift of interest rates, to switch towards the longer dated stocks. Any stock with more than about six years to maturity has benefited by the relative fall in long-term interest rates.

Individual investors however, have traditionally been more *interested in stocks whose* maturity dates are in this decade —except, perhaps, when it comes to providing for school fees or capital transfer tax.

But stocks due for redemption in the next four years have actually fallen in value.

But even for a given maturity, there is generally a fairly wide choice of stocks, carrying vastly different coupons (interest payments). Thus the generation of Government stocks which matures in 1986 carries coupons varying between 3 and 14 per cent. Which of these it is wise to hold will depend on an investor's tax rate.

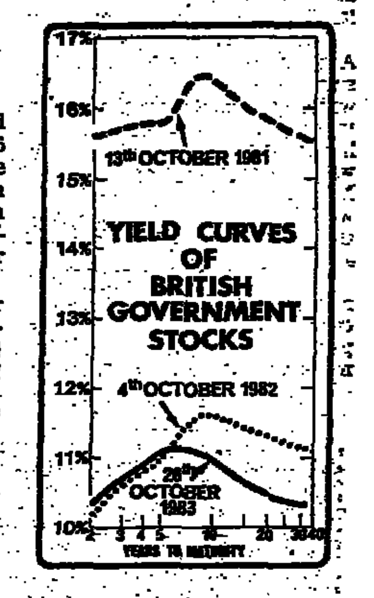
Low coupon stocks are specifically designed for high rate tax payers who are willing to accept low income in exchange for a relatively large increase in the stocks' value as it approaches redemption at the £100 par value. But the 3 per cent stock of 1986 is probably no longer a tax-efficient investment for even the highest-rate taxpayer, as it yields less than the 3 per cent stock of 1987 while standing on a smaller discount.

Perhaps it was the poor yield on the 3 per cent stock of 1986 which yesterday influenced the authorities to issue an extra £100m of that stock. What is a good bargain for the Government must be a bad bargain for investors.

Anybody on a standard, or lower, rate of income tax holding gilt edged for the yield would in any case be better off with higher coupon stocks, getting the return in the form of semi-annual interest payments.

A warning. Even if a stock looks to be the most tax-efficient for someone in your tax bracket, it may not be the best to buy for capital appreciation on a hunch that interest rates may fall.

If a stock appears to offer high returns, it is "cheap"; but a gilt can generally be cheap in relation to other gilt-edged stocks only if there is more of it in issue than the institutions in the market want to hold. This can lead to disappointing results.



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A claim to inherit

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

If one wished to put in a claim under the inheritance (Family Provision Act) referring to a recently proven will, what, please, is the procedure? Who would pay costs and does one have to engage one's own legal representative? What percentage if any of an estate would an only son with children of his own ie grandchildren of the deceased receive or indeed what in your opinion are his chances of success?

Is there a time limit on when a claim can be made?

A claim under the Inheritance (Provision for Family and Dependants) Act 1975 may be made by originating application in the County Court if the net estate does not exceed £30,000 or by originating summons in the High Court (Family Division or Chancery Division). It must be made within six months of the date when probate or letters of administration are first taken out. It is not necessary, though advisable, to engage a solicitor for this purpose. Costs are in the discretion of the court but are likely to be ordered to be paid by the unsuccessful party. An adult son who is not under a disability is not likely to have any provision awarded to him.

Nomination for savings

I was recently entrusted by an elderly relative holding 500 National Savings Certificates, to obtain a nomination form from the National Savings Offices in Durham, which would allow the person nominated on the form to receive the proceeds of the Savings Certificates on the holder's death.

On application for such a form from the Department of National Savings, they advised that this facility for making nominations of National Savings Certificates was withdrawn on April 30 1981, and they were therefore unable to deal with the request. Could you kindly advise me what simple procedure could be adopted which would legally allow a person nominated to receive the proceeds of the certificates on the death of the holder.

The nearest equivalent to a nomination would appear to lie in a declaration of trust by which the holder declares trusts for himself for life and for the nominee in remainder. If the nominee is made a joint holder the legal title will also pass to him on the death of the first holder.

Re-slating a roof and VAT

In March this year you published in your "Finance and the Family" column that no VAT is applicable for the re-slating of a complete roof. My local Customs and Excise Officer maintains that 15 per cent VAT is payable. What, please, is now your view?

If your roof is being re-slated because the existing slates have become defective through age our view is that VAT is payable. However, if some alteration is being made to the roof such as changing its pitch then the whole job including re-slating may well be zero rated.

Barring a rent charge

Our home, bought in my name in 1966, is freehold but subject to a "fee farm rent charge in perpetuity" of £7.50 a year. After trying to make a payment in a lump sum without any results, we got a reminder on March 4 1976 that no payment had been received and asking that in future payments be made without demands first. My husband replied on March 12 pointing out that he had not had any reply to his requests made the previous year to buy out the charge. Since then, we have heard nothing and paid nothing. I am a bit worried that one day the estate may claim to take over the house, but my husband tells me not to fret. What do you advise please?

Provided you (or your husband) do not acknowledge anyone's right to be paid the rentcharge arrears, the most that you can be liable for is six years' arrears. Thus if you keep available (e.g. on a deposit account) £45 you should not be at any real risk. Once 12 years have elapsed after your husband's letter of 12th March 1976 the rentcharge itself will be barred and become extinguished.

Use of a house and CGT

My grandmother left me a cottage with the proviso that my parents had the use of it for the remainder of their lives. My mother has now relinquished her right to occupation and I am selling the cottage for £2,300. Although I have never supported my mother financially, can I claim exemption from Capital Gains tax on the grounds that my mother is a dependent relative and has lived there rent free.

You could not claim exemption on the ground that your mother was a dependent relative, but an exemption is available for gains accruing to trustees on the disposal of a house if during the period of their ownership of it the house has been occupied as his or her only main residence by a person who is entitled to occupy it under the terms of the settlement or by a beneficiary who has occupied it with the permission of the trustees. This might apply to you.

Estate agent's fee

1. I recently sold a house. Contracts were exchanged, but the purchasers were unable to complete. My estate agent is now claiming his fee. Is he entitled to it? If so, at exactly what point does he become so entitled?

2. I have exchanged contracts to purchase a house (Leicester Law Society Contract for Sale 1980) with vacant possession. Completion is set for tomorrow and the existing tenants were due to leave yesterday. They have not done so. If this purchase fails, am I entitled to compensation for the cost of insuring the building?

1. The estate agent would normally be entitled to commission on exchange of contracts, but if his retainer was to find a purchaser *ready, willing and able* to purchase the commission would not be payable until completion.

2. If your vendor cannot give you vacant possession on the day fixed for completion you are entitled to claim from him any damages which you suffer whether as damages if the sale goes off, or as compensation under the Law Society's Condition 22.

Investment of trust money

By my late husband's will I have a life interest in my main residence and also in all his other assets. My two daughters and I were appointed trustees and executors. The court ruled that the administration of my husband's estate should be granted to myself and one of my daughters with power reserved to the other executor.

I propose to sell my residence and to buy a smaller house. If my daughters object what course do you advise me to take please?

I would like to invest all balance monies arising (or all monies if necessary) in Government Securities and other suitable investments. If the other (executors) object could I demand that all monies received should be placed in a suspension account at a bank at deposit rates and pay all interest accruing to me until such times as agreement could be reached regarding the investment of the monies involved?

Unless the trusts of the will are so framed that there is a trust for sale and your life interest terminates if you cease to reside in the house, you can insist on the sale which you propose. (You can insist on sale anyway, but not necessarily on the purchase of another house.)

The investment of trust money is a matter for both trustees and one trustee cannot act against the other's wishes. If a deadlock arises you may have to apply to the court to resolve it. The court is unlikely to approve of the course which you propose. Trust funds should be invested so as to hold an even balance between the interests of the life tenant (ie maximum income) and of the remaindermen (capital appreciation).

Interpreting the signals

MINING
GEORGE MILLING STANLEY

THE THIRD QUARTER reporting season for the North American mining companies is now well under way, with results starting to arrive apace.

Contrary to earlier expectations that the onset of the economic recovery, led by the U.S., would give rise to a steadily rising trend in quarterly profits from most of the leading groups, there are disturbing signs of setbacks in the three months to September 30.

It has long been the custom for analysts of north American companies to go along with the pattern established by the managements of these companies, and confine comparisons to a simple "third quarter of this year against the third quarter of last year" basis.

Some of the more sophisticated commentators have opted for a more appropriate form of analysis, attaching greater weight to the figures for the full nine-months period.

This has the benefit of clarifying longer-term trends, vital in an industry as cyclical as mining. It is, however, best used in conjunction with a detailed look at a company's performance from quarter to quarter.

The application of this form of analysis to the latest results demonstrates clearly that, while most of the companies which have reported so far can congratulate themselves on having done much better in the September quarter than in the corresponding period of last year, and are generally doing better after the first three quarters, there have been problems in the latest three months.

Amax set the trend last week with a sharp reduction in the loss for the first nine months of the year, but this was still accompanied by a bigger deficit in the third quarter than in the second.

The big U.S. copper producer Phelps Dodge is perhaps the most striking example. Over the first nine months of this year, the group has managed to reduce its loss from U.S.$64.8m (£43.2m) by more than half to $32m—a creditable achievement, reflecting greater operating efficiencies rather than any startling progress on behalf of metal prices.

However, in the latest three months Phelps Dodge sank back into the red with a net loss of $28.4m, after recording a modest profit of $300,000 in the quarter to end-June.

This setback was partly attributable to labour disputes which the group seems to have circumvented, but the drop in the copper price must also take its share of the blame.

Similarly, Asarco succeeded in turning a loss for the first nine months of last year into a profit of $46.6m this year, but this should not be allowed to obscure the worrying fact that the group's net profit for the September quarter fell to $2.85m from $27.6m in the three months immediately before.

To be fair, Asarco's management warned some months ago that demand for its non-ferrous metals is normally depressed during the third quarter by seasonal factors, but that cannot be regarded as the whole story.

The root of the problems being faced by North America's leading metal producers surely lies in the fact that metal prices rose earlier this year as soon as the economic signals from the U.S. started to look more hopeful, but there was very little real increase in demand.

The price rises were partly due to some re-stocking on the part of consumers and merchants, but there was also a considerable speculative element involved.

It is now becoming increasingly evident that the upturn in the U.S. economy has so far been fuelled almost entirely by higher consumer spending, and there are as yet few signs of any real rise in capital spending by industry.

It is this which is crucial if metal prices are to stage a genuine and sustained recovery from the depths to which they sank during the past few years of recession.

● Shareholders in Gold Fields of South Africa are reminded that the four-way split in their shares takes effect on Monday. They should therefore not panic when they see the price quoted at somewhere around £15, compared with yesterday's level of about £60.

Algarve goes up market

BY JUNE FIELD

BY THE heated pool in the peaceful courtyard of Casa Raposo last week, the maid served breakfast—local ham, sausage, tomato, onion, cheese and boiled egg plus some little almond cakes she had made that morning.

On Portugal's Algarve, part of the purchase package of the quality villas at "Carvoeiro Clube" can include daily service and maintenance in addition to handsome furnishings, fixtures and fittings.

At £90,000 to £150,000-plus for a two to four bedroom, two or three bathroom house, prices are somewhat higher than the usual holiday or retirement home. But the weak escudo with its regular devaluations has made well-constructed up-market property particularly appealing for outside buyers, particularly companies, who want something more sophisticated than a run-of-the-mill apartment.

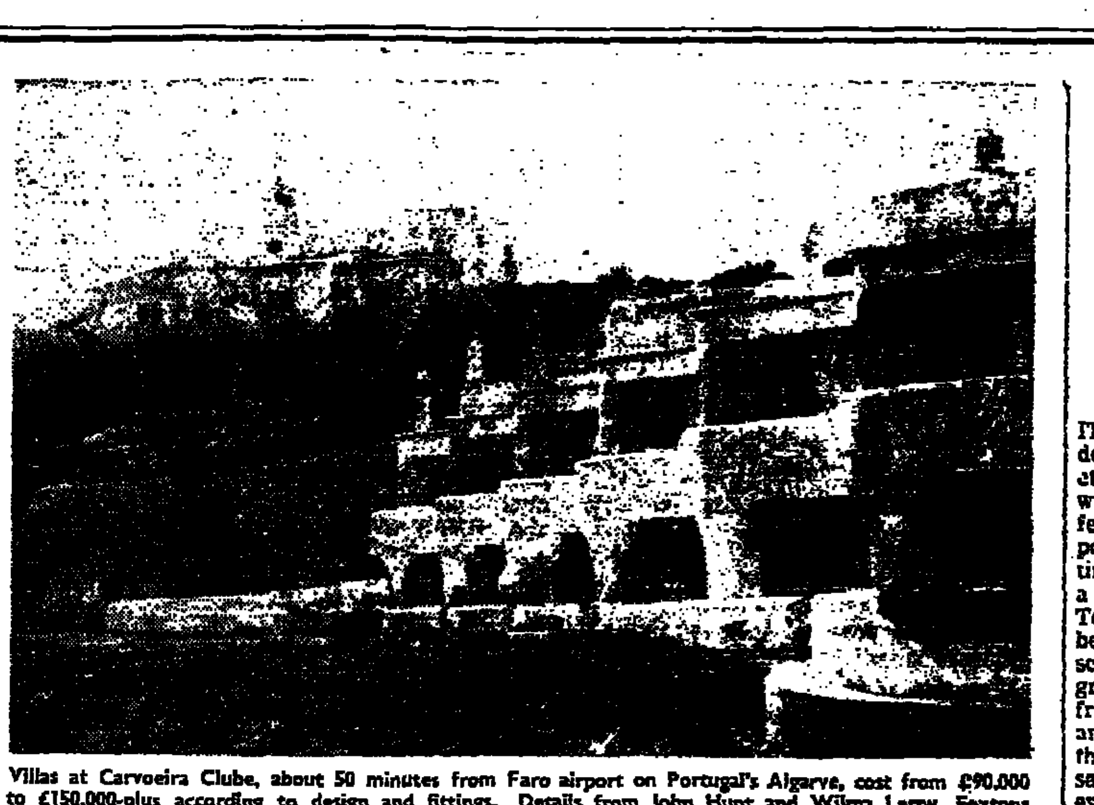
And the development conceived by ex-banker Klaus Moeller with his wife Thea and their family, was aimed at the quality business right from when they first started building 14 years ago.

The holding company Euro-actividade, with its head office in Liechtenstein, has a share capital of SwFr 14m, paying a 14 per cent dividend this year; and the company, which issues an annual report although they are not obliged to do so, is interested in discussing admitting further shareholders. (Their bankers are Berliner Handels-und Frankfurter Bank and the books of all subsidiaries in Portugal were audited by chartered accountants Thomson McClintock.)

With West Germany one of the most important suppliers of imports to Portugal, it is not surprising that most of those who have bought the 120 completed homes are German—advertising executives from Frankfurt, leading tax consultants, bankers and lawyers; and with only a sprinkling of British, Dutch and French buyers, and further expansion on another with two prime sites overlooking majestic Atlantic-facing cliffs, there is an obvious need to encourage a full international mix.

Just appointed as London agent is John Hunt, partner in Foxtons Overseas, 91-95 Notting Hill Gate, W11. Included in the Carvoeiro sales details is the development's balance sheet, which puts over quite strongly that the target is to sell to those whose spending habits are "relatively unaffected by national economic situations." Foxtons, incidentally, are the newest member of FOPDAC (Federation of Overseas Property Developers and Consultants).

Offering a standard of service the Moellers rightly claim as "not normally found outside the best hotels, in an exclusive house-party atmosphere" means that renting out a villa is an acceptable proposition even if it is furnished with antiques as the one I stayed in was.



Villas at Carvoeira Clube, about 50 minutes from Faro airport on Portugal's Algarve, cost from £90,000 to £150,000-plus according to design and fittings. Details from John Hunt and Wilma Leroy, Foxtons Overseas 9-95 Notting Hill Gate, London, W11 (01-727 0530), open Monday to Friday, 9-9, Saturday and Sunday (10-5).

There is a somewhat intricate lease-back arrangement which currently provides a 9 per cent return with 10 weeks owner-usage during September 15 to May 14. And although most of the current buying has been for cash, mortgages at 12 per cent can be arranged on a security outside Portugal, or at 15 per cent without security, subject to status.

This week a dozen or so of what Foxtons Overseas sales manager Wilma Leroy calls "very interested prospects" are off to sample the good life—everything from trips on the company's yacht or aeroplane, shark-fishing, and tennis on the 10 floodlit courts, plus perhaps a party at Klaus junior's converted farmhouse where the cellar has 4,500 bottles of wine! The old house is for sale too, at around £150,000, plus £10,000 for the wine which is said to be worth double.

Also specialising in up-market Algarve is Jennie Pinder, ex-managing director at Fincasol's British base. With husband Arthur Bellwood she has formed her own company, working as European Property Advisers, which starts next week to offer a professional advisory and marketing service to those wanting to buy and sell in Portugal and Spain.

With headquarters in Salisbury, Wiltshire (072 589 251), the new business will be working in association with Simon Agace, head of London agents Winkworths at their 289 Brompton Road, SW3 office. Their Algarve associate is Simon's brother-in-law, ex-merchant banker Michael Hawtin, based at Lagoa, near Carvoeiro. Being offered will be good re-sale properties from £70,000 upwards, as well as commercial investment projects.

One of Britain's "Top Ten" builders, the Bristol-based Comber Group, public company with a turnover last year of £59.6m, associate of Hawker Siddeley, are also aiming at a higher market on Algarve.

Their extremely successful popular-priced 260-unit Vila Senhora da Rocha is a sell-out except for the last five newly built villas facing the sea, priced from £64,000. (Understandably after six years of constant holiday use, the complex is just beginning to show its age, and some refurbishment is under way now the season is almost over. Buying originally was by Portuguese and British, who purchased mainly for investment and letting as well as their own occasional use.)

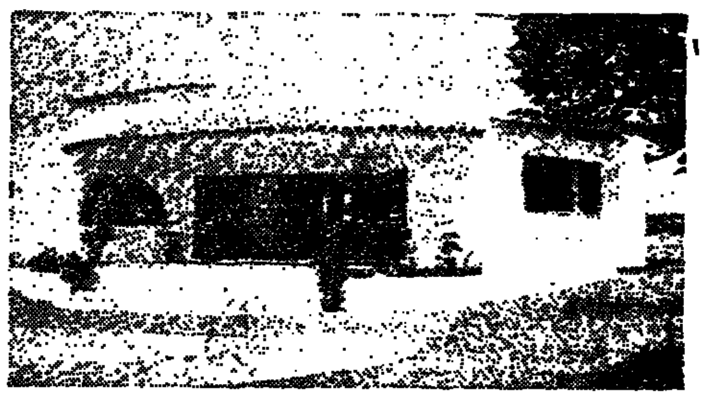
Comben's spectacular new 50-acre cliff-side project, Roche Brava, represents an investment of over £10m; and already about a dozen units have been sold in what will be a most attractive undertaking in an old farm setting near a lighthouse.

Some stylish houses (from £82,651) and flats (from £29,207) are being built around a striking pool complex. I sunbathed on the flat circular area above which is the old threshing table where the farmer used to dry his figs and almonds, and thresh wheat with a horse-drawn sledge. The stable, complete with bread-oven, is now the pool-side bar and restaurant.

There is also a "four-owners' scheme" where each owner acquires title to a property for a quarter of the year, the occupancy dates revolving from year to year. On an apartment this could cost each purchaser £12,154 to include furnishings and purchase costs. (Currently prices are worked out at 182 escudos to the £.) For full details contact Terry Roydon, managing director, Comben Group, 1-4 Portland Square, Bristol, Avon.

Other new top-quality developments include one at Santa Barbara da Vista in the hills above Faro, by South African Salim Laher, educated in England and creator of several London residential projects. The villas, with their kitchens designed by Harrods, cost from £87,500. Jassmin Standing, John D. Wood, 23 Berkeley Square, W.1, will send a brochure.

Still in the top price bracket, but reduced, is ex-stockbroker David Symington's home, Quinta da Albadeira Alta: he told me that he is offering it now at £375,000 in two acres and will build another house on the other five acres unless someone wants the whole lot at the original £545,000. Details from Andrew Grant, 59/60 Foregate Street, Worcester WR1 1DX, who is also promoting Mr Symington's new project, Luz Ocean Club, where prices off-plan start at a modest £25,000 or so for apartments.



Comben's new Algarve development at Rocha Brava, cliff-top project near Alfanzina lighthouse where villas are being built from £82,651, and apartments from around £29,000 to £46,614. Details Terry Roydon, managing director, and Adrian Phillips, international marketing manager, Comben Group, 1-4 Portland Square, Bristol, Avon (0272 425001).

Liverpool 1984 for amateurs

IT IS time for ordinary gardeners and horticultural societies to consider what part they will play in the great garden festival that will open in Liverpool on May 2, 1984 and continue without break for five and a half months until October 14. To date so much emphasis has been placed on the mammoth scale of the festival and the great things that are expected from professional exhibitors arriving from something like thirty five countries that I daresay most amateurs have not even realised that any provision was being made for them other than as spectators.

If so they are entirely wrong as the recently issued schedule of competitive classes shows. Section 13 is devoted entirely to exhibits from amateurs and amateur societies and one whole show, to be held from September 16 to 23, is being organised by the National Association of Flower Arrangement Societies of Great Britain (NAFAS).

To understand how this is possible it is necessary to know something about the overall planning of this unique festival. Though in many respects it resembles the long term horticultural exhibitions which for many years have been a regular and highly successful feature of European gardening, in some features it departs completely from the continental formula.

The theme gardens which will occupy one large section of the 125 acre site and are being made by some thirty countries including one from the Royal Horticultural Society and another from The Royal National Rose Society, will remain throughout the five and a half months and will have time to develop and change with the seasons. It would not surprise me if some are retained permanetly as features in the public park which the festival site will eventually become for that has been the pattern in some of the continental exhibitions including those held in Vienna. But nothing has yet been said officially about this, the story being that these theme gardens will be dismantled after the festival and the ground they have occupied re-landscaped in character with the rest of the park.

The proposed Gardening 84 centre, Liverpool

GARDENING

ARTHUR HELLYER

There will also be a continuous exhibition in the central section of the great arched hall, 650 feet long, which is now nearing completion in the centre of the festival site. But this is rounded at each end and both ends will be used for an ever changing series of shows throughout the duration of the festival. Each can be screened from the central section and the idea is that while one event is open to the public at one end the preceding show will be in process of removal and the following one will be staged at the other end.

There are to be fifteen such events starting with a grand opening show from May 2 until May 13. By May 12 an orchid show will be ready at the other end of the hall and when that closes on May 18 an exhibition depicting horticultura in relation to the environment will be ready to open the following day.

So it will continue with exhibitions bearing such titles as "More Colour in Your Life," "Horticulture and Technology," "Gardens of the Future," "Grand Summer Show," "Gardening for All," "Start Gardening," "Trees and Shrubs for the Garden," "Bank Holiday Show" (August 24-28), "Early Autumn Show," "Flower Arrangement Festival," "Indoor Gardening," and "Harvest Festival."

This is where the amateurs come in, for though professional entries will have to form part of a specially landscaped scene in the manner of the European floralies, at Liverpool there will also be provision around the sides of the show for staged exhibits in the typical British manner.

Nor is the schedule asking for anything at all excessive. There are classes for chrysanthemums, dahlias, fuchsias, sweet peas, orchids, roses, cacti and other succulents and also for other unlisted cut flowers and pot plants. Amateurs can show vegetables and fruits, either separately or in mixture, on a 10 square metre space and the limit is for seven kinds which will present no difficulties to those accustomed to staging at local and national shows.

Some classes will be very easy to compete in. Every keen dahlia grower could have a go at Class 673 for the largest dahlia, one flower per vase, maximum entry two vases. Class 616 only requires one vase of three blooms of any variety of early flowering chrysanthemum. Rose growers have a choice of four classes, respectively for three varieties of large flowered roses, three varieties of cluster flowered roses (both five blooms per vase), three varieties of climbing roses, three varieties of any other roses (both three flowers per vase) and the best exhibit decoratively displayed in an area not exceeding ten square metres. There are also simple classes for trees and shrubs, three distinct magnolias, three rhododendrons and so on.

As I understand it exhibitors will be able to bring their entries to the most appropriately timed show but the show schedule is not very clear on this rather important point. However, there is plenty of time for all such ambiguities to be cleared up and anyone interested can get a copy of the schedule from the Indoor Shows Programme Administrator, I.G.F.'84, Merseyside Development Corporation, 4th Floor, Royal Liver Building, Liverpool L3 8AB. Nurserymen and other professional gardeners have an even wider choice of classes which include a great variety of cut flowers grown under glass, cut flowers grown in the open, flowering pot plants, green and variegated leaf pot plants, bromeliads, cacti and other succulents, bonsai, hydroculture, potted summer flowers, perennials, trees, shrubs, fruits and vegetables.

I can see keen gardeners visiting Liverpool not once but several times during those exciting five and a half months.

CAPITAL TRANSFER TAX

Widening your options

CLIVE WOLMAN examines a new off-the-peg tax avoidance scheme to let you have your cake and give it away.

A RANGE of off-the-peg capital transfer tax avoidance schemes which for the first time incorporate unit trusts as a tax-sheltered investment medium was launched this week by the City unit trust management group, Henderson Administration.

To provide greater flexibility than their predecessors, the schemes also make available discretionary trusts, the first mass-marketed plan to do so since the last Labour government attempted to strip such trusts of their tax "efficiency" in 1975.

Seven weeks ago, an article in these columns outlined some of the major drawbacks to using the so-called inheritance trusts, which have achieved unprecedented popularity over the last two years as a device to avoid capital transfer tax.

The trusts are designed as repositaries for well-heeled families to use up the annual exemption from CTT for gifts worth up to £3,000 (for each individual) and the 10-yearly £60,000 exemption. The donor does not lose control of the assets transferred into the trust as he can arrange for the trustees to return them to him, if necessary.

In addition, or as an alternative, the donor can make an interest-free loan to the trust which is then invested in a single premium bond to produce capital growth outside his estate. The donor receives an "income" from the gradual repayment of the loan, usually over 20 years.

One of the major criticisms of these schemes, which until now have been marketed primarily by life assurance companies, was that they do not allow sufficiently for individual circumstances or changes in those circumstances. If your family suffers a premature death, a divorce or a rift between parents and children, you may be locked into an uncomfortable arrangement by the terms of the original trust deed.

Henderson has met this criticism by providing the option of using a discretionary trust. This gives the trustees (and thus effectively the donor) complete flexibility as to how and when to distribute the assets—or even to receive further transfers from the donor.

Discretionary trusts are themselves liable to additional tax charges but these can be mitigated or avoided completely by a variety of devices, including the setting up of a battery of mini-discretionary trusts.

The other novelty of the scheme is that it allows a wide choice of investment media into which the trust assets can be placed. The other schemes all use single-premium bonds. These are attractive because they do not yield any income (which would be heavily taxed in a trust). Also 5 per cent of the value of the original investment may be withdrawn tax-free every year and used to provide the donor with an income.

However bonds suffer from two major disadvantages. One is that if the 5 per cent limit is exceeded in any year, higher rate tax could be imposed. Also any realised capital gains made within the bond fund are subject to capital gains tax.

By contrast, an investment in unit trusts allows the donor an income (in the form of loan repayments) which can be as large as he wishes without creating any income tax liability. Unit trusts are not subject to internal capital gains. Finally the donor has greater control over his investments by being able to choose his unit trusts and to switch between them. The income tax bill on dividends from the unit trusts can be cut by choosing low yielding, high capital growth trusts.

Henderson is offering a range of 14 single premium bonds for those who prefer the traditional method. Alternatively, you can invest in a range of Henderson unit trusts or you can allow Henderson Unit Trust Management Services to choose your unit trusts for you and switch between them. The performance of Henderson's unit trusts has consistently put them in the top ten management groups in recent years.

Another criticism of the previous inheritance trusts was that the technical clauses of their trust deeds were often carelessly drafted, thus putting at risk the tax efficacy of the scheme. Henderson's trust deeds however seem to have avoided this charge.

But three major qualms remain. One is that by offering such a range of options, Henderson is throwing a major burden on professional advisers and other intermediaries to direct their clients along the correct path. The company itself is not prepared to give guidance in individual cases.

For this reason you should seek advice only from a solicitor or accountant who has developed some expertise in CTT planning. Insurance brokers, the major vendors of the earlier schemes, should not normally be used.

Another problem is that by liquidating some of your present assets to buy into the scheme, you may create a capital gains tax bill larger than the CTT you will save.

Finally, all the inheritance trust plans have been marketed so openly that they have already attracted an estimated £1bn and are creating a growing tax loss. Sooner or later, this must tempt the Inland Revenue into striking them down, probably by re-introducing provisions to allow the taxman to treat interest-free loans as partial gifts. This power was revoked in the 1981 Finance Act.

Then you will have paid the 5 or 7 per cent entry charge into one of these schemes for no good reason.

BUSINESS EXPANSION SCHEMES

Cultivating a tax loophole

WHEN THE Whitehall mandarins dreamed up the Business Expansion Scheme in their efforts to channel investment into new developments, probably the last thing they had on their minds was farming. Yet farming wasn't on the list of excluded businesses so, lo and behold, here comes a scheme to use tax incentives to toil the land.

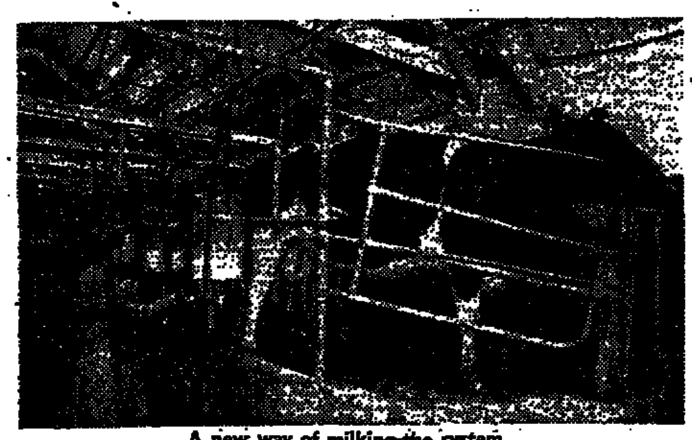
Stockbrokers Margetts and Addenbrooke and Norfolk, surveyors William H. Brown, which specialises in agricultural investment, have put their heads together and come up with Associated Farmers. On Monday members of the public will be able to buy shares at £1 a go in the new company and join the landed gentry.

The sponsors are hoping to raise at least £1m so that they can buy a large arable farm, or perhaps two or three if enough money comes rolling in. Consortium farming is hardly an original concept but in linking this to the tax reliefs of the Business Expansion Scheme the brokers hope to attract cash from high rate tax payers.

After all, someone on a marginal tax rate of 75 per cent can buy shares at an effective net cost of 25p in the pound.

Now no one is pretending that farming is the route to an instant fortune. Profitability inevitably fluctuates each year depending on the kindness of the weather. And thanks to the Common Agricultural Policy, farmers have to keep just as watchful an eye on the politicians as they do on the sky.

Nevertheless farming is a relatively safe profitable business with a low risk element and by sticking to arable farming Associated Farmers will sidestep the more demanding activity of managing livestock.



A new way of milking the system

William H. Brown has pulled together some statistics and projections made by Wye College and the Midland Bank Agricultural Division demonstrating that arable farming profits per acre have been increasing over the last decade. During the last harvest a competent farmer slaving over 500 acres might have come away with a profit around £100 an acre.

It looks good solid stuff and with the tax incentives of the Business Expansion Scheme the brokers should have no trouble in rustling up enough from high rate tax payers to buy a farm or two. It is hard to see how they could fail to make a good return.

Of course that assumes that Associated Farmers will hold its status to qualify under the scheme. The Inland Revenue has given provisional clearance, though one wonders whether it came grudgingly. Associated is a new company which is buying a farm as an asset. A farm is not deemed an "acquisition," which would have put Associated outside the BES. Yet the enterprise hardly conforms to the purpose of the tax concessions.

Terry Garrett

Clive Wolman heads north in search of fund managers

Far from the madding City crowd

IF LATE ONE NIGHT, when no one was looking, the City of London were to sink without trace beneath the waters of the Thames, most of the millions of bits of paper that represent people's lifetime savings would disappear with it into a soggy mass of pulp.

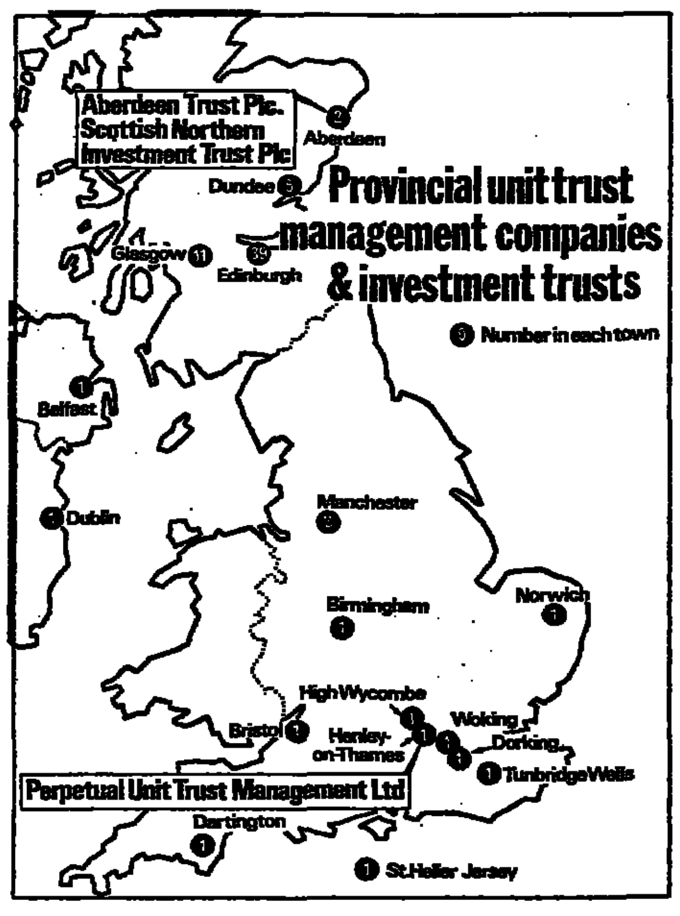
For, over the last quarter-century, a rapidly growing proportion of the nation's savings has ended up in the hands of City investment managers, whether in the form of pension contributions, life assurance policies, or holdings in unit trusts or investment trusts.

But a few resolute and sometimes eccentric individuals have been trying to buck the trend, or even reverse it, by insisting on managing investments outside the main financial centres of the City and, to a lesser extent, Edinburgh. They point out that modern telecommunications allow them to receive information as swiftly as any office on Throgmorton Street.

But is it dangerous to send your money out to some provincial backwater where the investment managers spend their lunch-hours eating sandwiches in a local pub rather than picking up share tips amid the crumbs of a four-course City boardroom meal?

The provincials pride themselves on their traditional capitalist virtues. They like to track down a solid, undervalued company, invest in it and wait patiently for their money to appreciate. Not for them the quick in-and-out deals in response to the latest rumours or vacillations in the market.

Their distance from the main equity markets makes them less vulnerable to the herd instinct, they claim, and thus they ensure that a diversity of views is reflected in the market place. Leaving out the tiny small-town groups which have never got off the ground, the list of non-London and non-Edinburgh investment management groups contains some of the best performers in the sector.



In many cases, a management base in the provinces is not of great significance. Several life assurance companies have set up their management groups on the fringes of London, but the eyes of their managers are firmly fixed on the City. Similarly, the community of nearly 30 fund management groups in Edinburgh spend as much time as their City counterparts in watching and talking about the movements of one another.

In many of their offices, the full array of market-watching terminals are on display and they are no slouches when it comes to juggling money between sectors and countries in anticipation of changing fashions. They have generally been ahead of their English rivals in investing overseas, in currency management and in the use of options.

The £370m Edinburgh Investment Trust, which has been one of the most successful of all general trusts over the last five years, is a sign of the times. One of its primary motives for swallowing up the Glasgow-based Scottish United Investors six months ago was to cover the costs of its high-tech monitoring and administration systems necessary to back up its free-wheeling investment style.

But to discover the true individualists, you have to travel beyond the Firth of Forth. The two most remote investment houses in the UK, some 540 miles north of London, are the Aberdeen Trust and Scottish Northern Investment Trust with net assets under management of £88m and £105m

Scottish Northern is the only investment trust (or unit trust) still managed by solicitors from a solicitors' office—just off Aberdeen's main shopping street. The shelves are lined with law reports, the furniture is heavy wood, there are no Topic, Datastream or Reuter screens, and widows hold discreet conversations with their advisers. Not the sort of place where you'd find any of the young gun-slingers who have been thrust into stardom by the recent bull market.

The conservative, legal approach is reflected in the management style. Manager and director 62-year-old John Yeoman, who leads a team of three, expresses concern that they ought not to be buying and selling shares too often, for fear that the Inland Revenue would treat them as traders rather than investors. A turnover of about 40 per cent per year is the limit, he reckons, although City fund managers regularly get away with turnovers of 100 per cent plus without anyone batting an eyelid.

But in one important respect, the three managers are far from conservative. The proportion of small unlisted companies that appear in their portfolio, about 15 per cent by value, is one of the highest of any UK managed fund.

The managers have concentrated on their own backyard. Most of the unlisted companies are Scottish and many are engaged in oil exploration and servicing the oil industry. They have also joined in several property developments in north-east Scotland.

Over-exposure throughout the portfolio to the oil sector depressed their performance in 1981-82. But over the last year, they have recorded a 37 per cent rise in net asset value, about average for investment trusts and well above the rise in the FTA All Share index.

Running a portfolio of nearly 50 unlisted companies uses up a lot of time, especially as Scottish Northern has a policy of putting one of its managers, usually Fred Dalgarno, on the boards of the companies it invests in. When the companies run into trouble, assisting them becomes almost a full-time job.

"But these are the sorts of companies we are likely to know better and understand better than investors from the south," says Dalgarno. "Being in Aberdeen has given us a better understanding of oil exploration and the oil industry and how it can affect the local property market and local industry."

This experience would open up opportunities, he says, in other areas where major oil finds were likely, for example, in Nova Scotia, Canada.

In view of the energy consumed by investing in small companies, it is not surprising that the rest of the portfolio, containing as many as 160 stocks, has an orthodox look about it. Just over 60 per cent of holdings are in the UK and about 34 per cent in North America, not a high proportion by Scottish standards. The managers rely primarily on stockbrokers' reports for listed companies, only rarely visiting companies or attending their presentations.

"Everyone tends to get too many broker's reports and too many invitations to see companies," says Yeoman. "The skill is in picking out the most important things. From here you can see them more in perspective."

NEXT WEEK: A voyage up river to the darker reaches of the Thames.

Greeks in turmoil

BY DAVID TONGE

Eleni
by Nicholas Gage. Collins. £9.95. 472 pages

One month ago, as I sat in the waning midday heat of Athens with Nicholas Gage, I thought of his forthcoming book with some foreboding. The worlds in which we had lived during our periods in Athens had been remote. Our prisms clashed. Our friends had little in common. His book, I thought, would describe a Greece that had little relevance to that of the generation I had grown alongside during and after the colonels' period in power.

For that generation it was an article of faith that Greek history and political life had been distorted by the victors of the civil wars of the 1940s. The decades of "white terror" against the left; the colonels' regime as an inevitable outcome of the ideological witch hunt which characterised Greek institutional life before the 1967 coup; the involvement of Washington in Greek politics — such were the points made by many of the Greeks who had lived through and analysed the seven years of the colonels.

But Gage had come to Athens three years after the colonels fell. His values were dominated by his experiences during 1939-1949 when he lived in a remote mountain village. For him the rehabilitation of the Communists was, as he puts it, "a shock for someone who remembered the civil war years." Might his book on the 1940s not sit uneasily in the Greece of the 1980s?

Two days with *Eleni* left me chastened, for Gage has created a work which takes one deeper into the heart of the EEC's Balkan outpost than all the histories, people and conversations I had dealt with during eight years in that country.

Like a triptych the work lives on three levels, though closely woven — as a man's quest into why his mother was murdered and by whom; as the tale of villagers caught up in a civil war; and as the drama of an ideal betrayed, which becomes the history of Greece in microcosm.

Gage's skill lies in the way he blends these three into a book of burning intensity, made the more searing because, as he writes:

> "All the names, places and dates are real. Every incident described in the book that I did not witness personally was described to me by at least two people."

The setting is the remote mountain village of Lia just south of Greece's border with Albania. It is a rough, unforgiving world, made rougher for its inhabitants by the burden of tradition and the inflexibility of the rules governing personal honour. The outside world had come and gone in the form of Turkish occupation. No roads approached it to show its inhabitants what a car might look like.

Yet for 10 years this isolated community found itself swept by the passions being played out on a larger stage. It became home for part of the British military mission to Greece. It saw the Germans march in and out. It changed hands as left and right struggled for power. Its villagers' fate then became interwoven with the Greek communists' doomed attempts to set up their own republic.

Gage himself was the fifth child, and only son, of parents belonging to two leading families in Lia. His father lived in the U.S.; Gage was nine when he first met him. He figures in the book as a distant patriarch who obliged his wife to stay on in the ever more dangerous world of Lia. Gage's mother obeyed, as she had to, struggling to feed and protect her children and watching as the spectre of defeat caused the Communists to adopt ever more desperate and unpopular measures. For her the final straw was when the Communists announced the "pedomasoma." This last—it means gathering of children — was a policy announced to protect children in areas under Communist control from reprisals by advancing Government troops. Initially voluntary, it soon became a matter of prestige for the Left that it should succeed.

Eleni's attempts to protect her children included pouring boiling water on her daughter's foot. In the event the scar was not bad enough and she realised she had to braise the foot with a red-hot poker. Gage's description of how his frail grandmother stepped forward to do this when Eleni could not is one of the many scenes showing the power of his writing.

Eleni finally accepts she has to organise her and her children's escape, and comes so close to success. A first attempt is aborted by a sudden order to bake bread for the guerillas. A second fails because of a crying baby, a third because of mist, and a fourth because she is summoned to cut wheat. But in the end 20 villagers make their way down a route she had set up. Scapegoats have to be found. She is betrayed and tortured in the security police headquarters—her own commandeered house.

Historians may argue about the original aim of the "pedomasoma." Victimisation was a real danger for the families of the left and vigilante squads—one led by Grivas—ran roughshod. Equally, the reader needs to remember the brutality of the Greek state in this period. Matters like the island camp of Makronissos, where a whole generation of the left was licked into shape, do not figure in Gage's pages.

That said, Gage brings to life what Greek history meant to many of those who had lived it. But it is not on this ground that his book should be judged. For it rises out of its setting, with its strength being in the portrayal of how an apparently unexceptional collection of individuals become exceptional through circumstance. His charecters stand poignantly out of the pages, as do incidents such as his showdown with the man responsible for his mother's death. It is fine writing and a fine book.

Mother and son: in the book reviewed today the son, who became an American journalist, re-traces the events that led to her execution in the Greek civil war

Failed leader

BY JOE ROGALY

Beyond the Pale: Sir Oswald Mosley 1933-1980
by Nicholas Mosley. Secker and Warburg. £8.95. 323 pages.

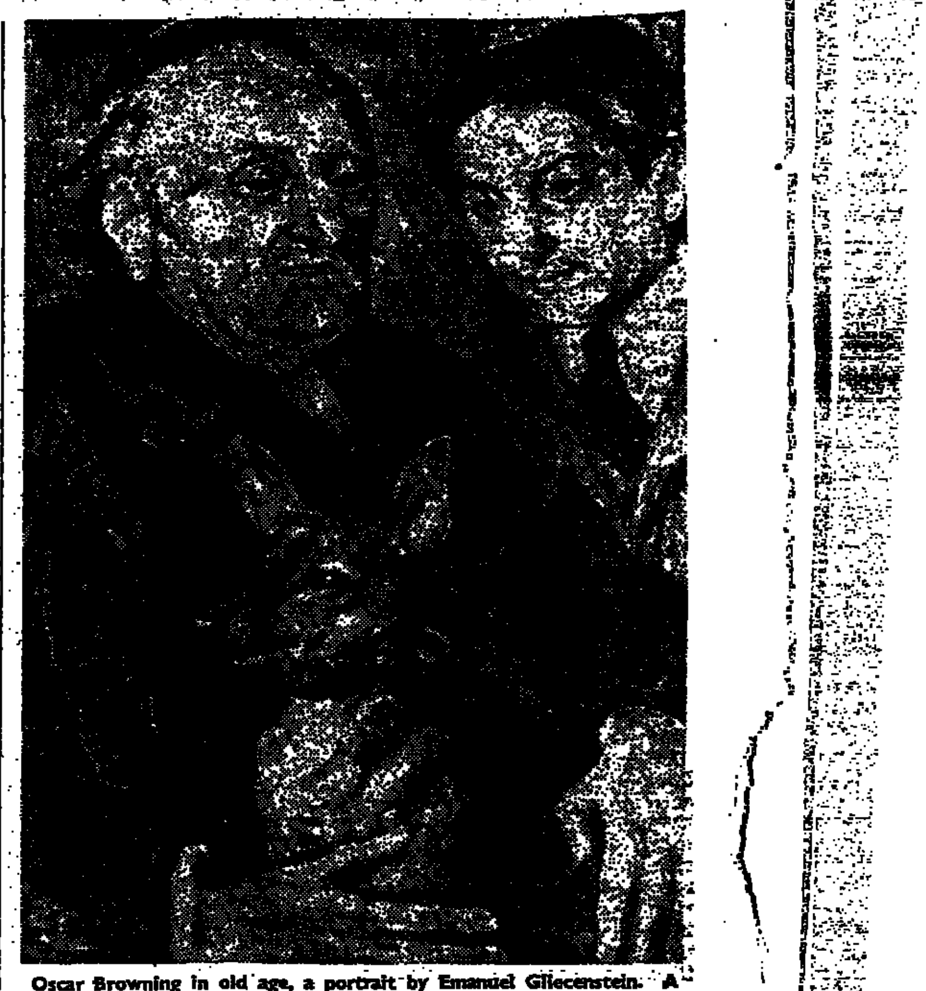
Sir Oswald Mosley does not improve with age. The first volume of his son's account of his life showed him to be a vile man, cruelly ruthless with women, hypocritical, vain, breathtakingly arrogant. This, the second volume, describes how these qualities persisted during his years as the British impersonator of Hitler and Mussolini, an impersonator no more attractive for the fact that, as his son demonstrates, "my father was never in the same sort of business as Hitler."

Of course he was not; he could not be. There was no historic reason for the British people to feel cheated, as the Germans did over Versailles; there was no long German tradition of Parliamentary democracy and political moderation, as there was in Britain. This is not to say that Britain represented all virtue; simply that the character of the English polity made it extremely unlikely that a warmongering dictator could lead them to the kind of excesses practised by Hitler. In the event, the British Union of Fascists enjoyed a short-lived notoriety, but was soon vanquished first by the press and subsequently by the voters. By the time the war came it was an irrelevance.

It is one of the themes of Nicholas Mosley's book that in these circumstances it was hardly just, and certainly not compassionate, for the Government to imprison Mosley and his second wife Diana—at first separately, then, following Churchill's intervention, together. There is sadness in the relationship between the father, imprisoned at Brixton or Holloway, and the rapidly-maturing son, fighting in Italy as an infantry officer; even so the reader is continually conscious that there are other wartime casualties whose sufferings were greater. There is a ration of available tears, and few or none to spare for the self-deluded Sir Oswald.

Of greater human interest is the nature of Nicholas Mosley, who in later life became a skilled writer of novels and biographies and eventually became not only convinced of the justness of the second world war but "something of a Christian, and an anti-racialist." He was a friend of Father Trevor Huddleston and wrote a sympathetic biography of Father Raymond Raynes.

This biography of his own father is not an attempt at whitewash, but an effort to ascertain and preserve the truth. This produces a mixed result: Mosley's Communist opponents did not have a spotless record. The book is most touching in the picture it inadvertently paints of a fascinating and complicated father-son relationship. The reader who follows that particular thread will emerge with the greatest satisfaction from this volume.



Oscar Browning in old age, a portrait by Emanuel Gliecenstein. A new life of this formidable pedagogue is reviewed below

Eccentric don

BY RIVERS SCOTT

Oscar Browning: a biography
by Ian Anstruther. John Murray. £12.50. 209 pages.

Oscar Browning was a pint-size figure with a stupendous head of froth, who continues to foam and bubble even today, just 60 years after his death. Why should this eccentric, in many ways repulsive, character, who not inappropriately shared a first name with Oscar Wilde, continue to arouse our interest?

The reasons are simple ones: snobbery, scandal and sex. All three of these elements were explosively present during Browning's time as a housemaster at Eton, to which he returned (he had been in College there as a boy) from King's College, Cambridge, in 1860. They culminated in a spectacular disturbance in 1875, when Hornby, the headmaster, peremptorily fired him, ostensibly for flouting a minor technical regulation but in fact because, after an earlier string of indiscretions, he had been cultivating the company of the young George Nathaniel Curzon in a way that alarmed and enraged the boy's housemaster, and other superior persons also.

This episode has already been described, and very well, by Browning's nephew, the late H.E. (Hugo) Wortham, himself a splendid eccentric, in his worldly-wise and stylish study, *Victorian Eton and Cambridge*. Ian Anstruther, author of this thoughtful biography, says that Wortham "related the facts without the background." If this is meant to imply that the latter either did not know, or failed to indicate, the real reason for Browning's disgrace, then Mr Anstruther gets no marks for reading between the lines. But he gets them in plenty for his own researches later on, for he has sorted through the thousands of letters left neatly bundled by "O.B.," and has come up with a charitable, multi-faceted portrait.

Indeed, he agonises perhaps too much in trying to form a fair judgement. Browning was an innovative educator of great flair. Countless boys and their parents at Eton testified to their affection, gratitude and trust, and once back at King's, though his ambitions were never fulfilled, he became, by reason of his high spirits and lack of aloofness, the most popular don in the university, perhaps in the country.

But this mixture of maverick and menace could be heartless when his pets bored him, and in Cambridge, which gave him leisure, and in London, where he took rooms, he also gave vent to the overt side of his homosexuality which at Eton he had had to suppress. Mr Anstruther gives extracts from the letters of some of his working-class protégés, when they had gone out into the world (often into the Navy), and very curious they are.

More in sorrow than in anger his friend A. C. Benson confided to his diary:

> "It is an awful picture—So greedy, vain, foul-minded, grasping, ugly, sensual a man on the one hand; and on the other, the traces of an old glory about him, like faded and tarnished gilding."

That is the tragic side. In the end what comes through, though, is surely "O.B." the clown, touring battlefields on a tricycle, his favourite mode of transport, churning out lucrative historical potboilers with an insouciant ignorance worthy of Oliver Goldsmith, then bitterly complaining when academic honours went elsewhere. A funny sort of mentor.

Bad men

BY GEORGE MALCOLM THOMSON

The Nuremberg Trial
by Ann Tusa and John Tusa. Macmillan. £12.95. 519 pages.

Justice at Nuremberg
by Robert E. Conot. Weidenfeld and Nicolson. £15. 593 pages.

In the end, hanging was not too good for them. The French made no plea for the guillotine; the Americans did not insist on the electric chair, any more than the Russians urged that the best method was the bullet in the nape of the neck. The soldier-villains hoped for an "honourable" exit in front of a firing squad. But the old-fashioned rope won the day. Eleven were hanged; some got off with 20 years; a few escaped altogether. The Russians thought that all of them should be executed, for them the trial was a formality.

The International Military Tribunal at Nuremberg, making up its laws as it went along, emerged with dignity and credit from its task. It proved that it was not a mere prelude to the scaffold; it made a serious attempt to differentiate between the degree of criminality of one man and another. Yet some of its distinctions are a little hard to follow.

For instance, Speer got off with 20 years, which was regarded as a light sentence (although in Britain it is now reserved for the worst kind of murderer). It is hard to see why Speer who had the best—or worst—of reasons for knowing all about slave labour, should have got off so lightly. Except that, by admitting responsibility, he impressed the court favourably.

On the other hand, Streicher was hardly more than a vicious little gutter- no, sewer-journalist. His fellow accused made it clear they would not be seen dead with him. But in the end seen dead with him was just what they were! On the matter of Streicher, the judges and the bulk of the accused were in complete agreement. He was a nasty little insect to be stamped on.

Among the accused one man was outstanding, Goering. Cruel and corrupt, he had guts. And ability. The most dramatic passages in the trial were in which Goering fought off and defeated Judge Jackson and was himself shaken and finally destroyed by the cross-examination of Maxwell Fyfe and "Khaki" Roberts. This is made clear in both of these narratives—the Tusas' and Conot's.

Goering insisted that he was bound by his oath of allegiance to Hitler but, as Conot pointed out, Hitler had broken his oath of allegiance to the Weimar Constitution, so that Goering's defence will not do.

> *His honour rooted in dishonour stood,*
> *And faith unfaithful kept him falsely true.*

Naturally, these two books have much in common. Conot's, being the weightier of the two (2lb 9 oz, compared with 2 lb 3 oz), has the broader sweep; it is almost a history of the seamy side (was there another side?) of Hitler's Reich. The Tusas keep closer to the trial itself, its events, on stage and behind the scenes, its personalities, its occasional comedy, not all of it black. They take note of the jealousy of Birkett who thought he should have Lawrence's job as chairman and of the "sloppiness" of the American team, relying on rhetoric rather than the study of their briefs.

These are two serious studies of an event of vast importance. The Tusas' somewhat the shorter and more easily read, the American Conot's echoing more closely the moral fervour of the American prosecutor Jackson:

> "that four great nations, flushed with victory and stung with injury, voluntarily submit their enemies to the judgment of the law is one of the most significant tributes that Power has paid to Reason."

It may be asked what did the trial accomplish? Biddle thought the next step must be the drafting of a code of international law. This has yet to be done. But, after all, law was not the only issue.

For a moment at Nuremberg, our appalling century, battered almost into moral insensibility by the trivia of terrorism, paused to give voice to something deeper, more primitive and therefore in a way more important than the law—moral indignation.

Forster harvest

BY ANTHONY CURTIS

Selected Letters of E. M. Forster: Volume One 1879-1920
edited by Mary Lago and P. N. Furbank. Colins. £15.95. 344 pages

One undergraduate at King's for whom Oscar Browning (see above) was a funny sort of mentor was E. M. Forster. Forster went into the college library in the Lent Term of 1899 to look at editions of Jane Austen. OB told him to come to his room as he had far nicer ones. "He hadn't," Forster told his mother, "but I didn't say so, and then he suddenly said: 'Are you fond of chickens?' I felt rather dazed, but said I was, and then he said 'Come for a little stroll with me and see mine; I have such beauties.' On the way he 'drew me out.' 'Did I like Sophocles?' 'No.' 'A great mistake!' 'Pindar?' 'Yes very much.' For his part he could never stand him. And so on till we reached a small house in the backyard of which were six disconsolate hens."

Forster was a delightful correspondent, witty, urbane, penetrating, as this first volume, which takes him up to 1920, shows. By then he was an established author and an occasional member of the Bloomsbury circle with his fruitful visit to India in 1912-13 behind him.

The two editors have been scrupulous in annotating his text and have performed their task both ably and unobtrusively.

Fiction

Exit the corpse

BY MARTIN SEYMOUR-SMITH

Cold Heaven
by Brian Moore. Cape. £7.95. 271 pages

Sebastian, or Ruling Passions
by Lawrence Durrell. Faber. £7.95. 202 pages.

Mortal Matters
by Penelope Gilliatt. Macmillan. £8.50. 160 pages.

Ring of Truth
by Vernon Scannell. Robson Books. £8.95. 342 pages.

Anna's Book
by George MacBeth. Cape. £7.95. 278 pages.

Brian Moore deserves his reputation as one of the best novelists writing today. Naturally, he has been uneven: *Cold Heaven*, though, shows him at the top of his form.

Marie Davenport is planning to leave her somewhat frigid doctor husband for another man. Before she does this, she has a holiday with him in Nice. He has an accident while swimming, and although the hospital to which he has been rushed does all it can to save him, he dies—and is transferred to the morgue.

But he does not remain there. He disappears—and with his return ticket to New York and his passport. What is the explanation?

Brian Moore handles this situation with brilliance and verve, and does not give us a trick ending. Obviously it would be unfair to give the explanation here. The book is required reading for devotees of the contemporary novel. The theme is, yes, Roman Catholic: but with this novel Moore shows himself to be in the same class as the great Morley Callaghan, Graham Greene, Julien Green and other Catholic novelists of the first rank.

Sebastian is the fourth of Durrell's "quincunx" of novels, in which he is attempting something that resembles the structure of his earlier *The Alexandria Quartet*. The story deals with Constance (the eponymous heroine of the most recent addition to the series), and her relationship with Assad. As she is a clinical psychiatrist, she finds herself obliged to treat the autistic son of her lover, and a dangerous psychopath.

Unfortunately for such an arresting theme the book is crammed full of pretentious dialogue ('Everyone is a Jew') and precious prose, and fails to retain the reader's attention. Since it is self-consciously linked to the themes of *The Alexandria Quartet* we have a great deal of unfunny and bawdy prose. It looks very much as though Durrell has written himself out; and this 'quincunx' is hardly likely to add to his following.

Penelope Gilliatt has written what amounts to a critique of an important aspect of the old original women's suffrage movement: *Mortal Matters* is the reminiscences—though not narrated by her—of the 80-year-old Lady Averil Corfe, who returns to her native Newcastle, and there ponders over her past life: her childhood, marriage, and, above all, her work for women's suffrage.

The dialogue is extremely good, the writing terse and economical, the attitude of the author, both sympathetic and intelligent. This, with its powerful and invaluable evocation of a past age, is by far the best book she has written.

Vernon Scannell was once a professional boxer, and the world of boxing is the background for the erotic tale he tells in *Ring of Truth*. It is set in the time of rising unemployment and the events leading to the Falklands War, which are still the subject of controversy. It is Scannell's first novel since 1965, and very much better than any of his other fiction.

The actual writing, it must be admitted, is rather flat and uninspired. But the content, especially Scannell's knowing account of the treacherous world of professional boxing, is exceptionally truthful and vivid.

Moreover, he succeeds admirably in counterpointing his boxing theme with his psychological theme: the breakdown of a marriage and an impulsively erotic adventure which is self-destructive for both partners in the same way as two boxers who face each other in the ring are not only trying to destroy each other, but are also involved in a process of self-destruction.

Anna's Book is based on a ballooning exploit of the 19th century. But I think the reader would need to be interested in both ballooning and sex in order to enjoy this odd book. It might even help to be interested in sex in balloons. Or under balloons. The facts are, the accounts of the ballooning, which could have been interesting, are dull—and the accounts of the sex read, at least to me, like the jottings of one who does not really believe in them.

This is a pity, because *Anna's Book* clearly has serious symbolic intentions. In one section the figure of Strindberg appears. The treatment of this episode is symptomatic: the author fails to make use of the opportunity in the interests of a pointless sensationalism. Macbeth seems perfectly capable of telling a straightforward story, and one wonders why he does not do this.

Distant view of the self

BY GEOFFREY MOORE

Voices: a Memoir
by Frederic Prokosch. Faber and Faber. £8.95. 343 pages.

"Two voices are there:" said J. K. Stephen, parodying Wordsworth, "one is of the deep . . . And one is of an old half-witted sheep." Frederic Prokosch, novelist and poet, born 1908, may be old but there is nothing sheep-like about his latest voice—more of the tremulous child. Or, as Hermione Bariton says to the hero of Prokosch's best-selling novel of 1935, *The Asiatics*, "you are a little bit like a child, and a little bit like a woman, and a little bit like an old man."

What are we to make of this incorrigible romantic? His birthplace, Prairie du Sac, Wisconsin, is not exactly paradise in midsummer. The humidity, the June bugs, the mosquitoes, make the climate less than agreeable. But in his memory:

> "A whippoorwill called . . . the birches waved their arms . . . the air was filled with the scent of sage and mint and rosemary . . . I caught the musk of naked warriors."

The family move to Austin, Texas. Young Prokosch sits under a fig tree, "listening in secrecy" to his father, a professor of linguistics and philology (who had fled from Austria because of a scandal involving a duel). Pavlova, visiting Austin for a performance, comes to their house, speaking "in a mixture of fluttering French, hissing German and gurgling English."

This is the first of the author's remembered voices, although it is not until 28 pages from the end of the book that he tells us rather archly that he "suffers from a malady which is called 'total recall'." Anyone who was at King's, Cambridge, for two years in the 1930s, however, ought to know that you would not get very far with Leavis if you kept calling him "Professor," as Prokosch does (or with Wilfred Mellers, for that matter, if you left the "s" off his name). If you are in the know you do not need to be told that "the Leavises and their disciples hated the establishment in Cambridge." If you are not, you might find these and other literary anecdotes less than riveting.

At King's, Prokosch also meets A. E. Housman and Morgan Forster. Guy Burgess lurches in, stinking of "sweat, gin, beer, cheese, urine and cabbages" yet, despite this, "dispelling a dark, subversive charm." It's that "subversive" which makes one sense just a little touch of hindsight.

But it's all good fun, with Prokosch playing Fritz, the bronzed, athletic Austro-American with a question for everyone. To Wallace Stevens, "Why did you take up insurance," I said pleadingly; to Forster "How do you feel about Mrs Woolf?"; to Virginia Woolf "How do you feel about Dostoievsky? . . . What are your personal sentiments about *Ulysses*." And so it goes, with Robert Frost, Ezra Pound, Gertrude Stein and Uncle Tom Cobley. With a few exceptions, such as the Dylan Thomas reminiscence, they all say pretty much what you would expect them to say.

Perhaps this is why Prokosch rarely fulfilled the promise of the 1930s. Squash champion of France he may have been from 1933-39, and of Sweden in 1944, but he put the cutting edge into his strokes, not into his books. *The Asiatics*, although a magnificent feat of the imagination, was a bit on the jewelled side. 13 more unexceptionable novels followed until *The Missolonghi Manuscript* in 1968 stepped up the pace.

Not that—judging from his tone—he seems much perturbed. He is a creature from another age; his masters remain Catullus, Goethe, Holderlin, Rilke, Yeats. If he once hit a sympathetic note it was before the age of Auden. Prokosch was never at home with these sour-smelling nasties. May he live long in his valley below Grasse seeing "the marvellous faces of the past gathering around" him and hearing "once again the murmuring of the voices in the night."

Michael Coveney in London and Frank Lipsius in New York look at current theatre productions—and where to buy the cheapest tickets.

There are some Cats in London . . . .

"Cats"—still at the top in London and New York

THE LONDON THEATRE has enjoyed a boom summer and the auguries are good for the winter season. *Cats* at the New London in Drury Lane is fully booked till well into next year, but tickets do change hands on the black market for anything up to £80. Whether you think even the first genuinely British dance musical is worth that sort of price is another matter.

The final weeks of the year will see a great spurt of activity in the commercial sector, with the re-opening of the Old Vic on Wednesday week leading the way. The show is a new musical by Tim Rice and Stephen Oliver, *Blondel*, about a 12th century troubadour. Then comes Ray Cooney's new American double-bill starring Maria Aitken at the Ambassadors; Bob Fosse's *Dancin'* at the flagship venue of Drury Lane; Don Black's new musical *Dear Anyone* at the Cambridge; and the RSC's *Poppy* opening at the Adelphi.

There have been some outstanding acting performances this year: from Frances de la Tour and Ian Bannen who continue in O'Neill's *A Moon for the Misbegotten* at the Mermaid until mid-November; from Martin Shaw in Odets's *The Country Girl*. Denis Lawson in *Mr Cinders*; Bill Fraser in *The Cherry Orchard*; and the entire replacement cast of Michael Frayn's *Noises Off*, the funniest play in town.

The sheer volume and variety of what you can see is extraordinary compared to the gloom in which the London theatre was sunk this time last year. Most theatres now take credit cards and list a credit card number alongside the box office number. Many leading hotels have special allocations. Consider, too, a visit to the half-price ticket booth run by the Society of West End Theatres in Leicester Square.

This very week we have seen Penelope Keith open in Coward's *Hay Fever* at the Queen's; Judi Dench and her husband Michael Williams bow at the Lyric in a domestic play, *Pack of Lies*, set against the background of M15's cracking of the Portland spy ring; and Paul Eddington, Colin Blakely and Georgina Hale in *Lovers Dancing*, a new comedy at the Albery.

The star of the subsidised theatre is currently Derek Jacobi, leading the RSC at the Barbican in the bravura role of Cyrano de Bergerac. In the same complex, David Edgar's newly opened *Maydays* is one of the best epic political plays of recent years, while across the river at the National, Christopher Hampton's *Tales from Hollywood* is a fascinating narrative about the emigré artistic community on the West Coast before and during the last war.

The best production in town is Peter Wood's for the National of Sheridan's *The Rivals*. The designer, John Gunter, has filled the Olivier stage with a recreation of 18th century Bath dominated by that masterpiece of Georgian architecture, the Royal Crescent. Geraldine McEwan gives an incisively fresh reading of Mrs Malaprop, on a par with Judi Dench's of Lady Bracknell last year. And Michael Hordern is magnificent as Sir Anthony Absolute, singing the praises of a wealthy match for his recalcitrant son with a poignantly hilarious remembrance of flings past.

The best theatre restaurants are the Lyttelton buffet and the salad bars at Greenwich and out at the beautifully restored Lyric, Hammersmith, where Simon Callow has just opened as Lord Foppington in Vanbrugh's *The Relapse*. If you missed it last year, I recommend, in advance of its December opening, the RSC's *Peter Pan* at the Barbican, which establishes the play as a pre-Freudian masterpiece on a level with *Alice in Wonderland*.

Try and avoid London theatre bars which are over-priced and over-crowded. Dash, instead, to the nearest pub or wine bar in the intervals. *Never*, except at the National or RSC, buy more than one programme. Parking in the West End is advisable only before 6.30 pm, comparatively easy at the National, and nightmarish at the Barbican. Much the best way of getting around town, as in New York, is to summon a taxi, or even better, the services of good old Shanks's pony.

. . . . and more Cats in New York

WITH ONLY two openings last month, another two this month and half of Broadway's theatres dark, theatre owners are beginning to mention that many Broadway houses started out as movie palaces and may end up that way. A touchy and discouraging reliance on revivals and long-running shows does, at least, offer visitors the chance to catch up on theatre they might have missed in the past.

For Broadway tickets that now run to $45 in the stalls (called the orchestra), nostalgia would seem particularly appropriate for the prices as well as the plays of the past. One way to match an old (or new) play with an old price is at the half-price TKTS booth sitting in the small triangular spot in 47th Street between Broadway and 7th Avenue. It sells seats for same day performances, and, unlike its Leicester Square counterpart, the booth opens at 3 and operates to 8 o'clock curtain time. Matinee tickets go on sale there at noon.

A second booth exists at Two World Trade Tower in lower Manhattan, where a tourist visiting the Stock Market or top of the World Trade Centre is advised to pick up tickets during its hours of 11.30 to 5.30 because it is much less crowded than the Broadway booth. A third booth is open in Brooklyn. Though not all shows are available at the booth, a surprising number of them are since producers want to support a system that has seen a number of productions through bad times till Tony Awards or new stars helped pick up business.

Two-fors that are now somewhat more expensive than half-price (and sold for one seat or many, not just "two-for") are scattered round counters and entrances in the Broadway area but can always be found at 300, West 43rd Street, Suite 602, at the offices of Hit Shows weekdays from 9.30 to 3.30. Stalwart theatre goers can also get standing-room tickets for any sold-out performance at about a quarter the price of the stalls.

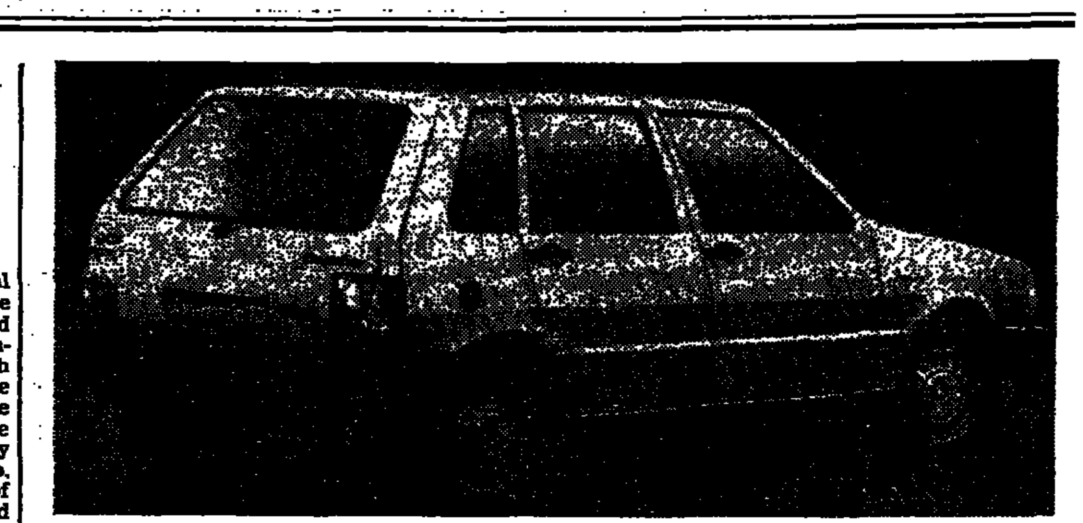
This season's hot ticket is *La Cage aux Folles*, a brassy interpretation of the film, while *Zorba* is worth seeing for Anthony Quinn's robust conquest of this musical version of his film role. Neil Simon's latest *Brighton Beach Memoirs*, adds some touching memories of growing up during the Depression to balance the plentiful laughs, while *'Night, Mother* is unremitting torture as a mother reacts to her daughter's seemingly rational and certainly calm determination to commit suicide.

Now in its eighth year, *A Chorus Line* set the record for the longest running Broadway show last month, but theatrical history buffs can go further back and indulge their memories in the current revivals of the 1936 Rogers and Hart musical, *On Your Toes*, and the same season's Hart and Kaufman comedy *You Can't Take it With You*.

More recent award-winning musicals include *Nine*, a stylish affair of one man and 22 women based on Fellini's film, 8½; *Dreamgirls*, Michael Bennett's fanciful re-creation of the history of a pop group like the Supremes; *My One and Only*, with Twiggy and Tommy tap-dancing to Gershwin melodies.

Last year's Tony winner for best musical, *Cats*, still runs, though tickets for it are probably no easier to get than in London.

Off-Broadway is prospering with long-running productions like the hilarious *Sister May Ignatius Explains it All for You*, at the Westside Arts Theatre, and revivals like Christopher Hampton's *The Philanthropist*, starring a demure and effective David McCallum at the Manhattan Theatre Club. New off- and off-off-Broadway productions are easier to find than ever with a centralised box office for half a dozen theatres in 42nd Street near 9th Avenue and a publication of new productions called *Other Stages* available free in theatre lobbies. Broadway's doldrums contrast with exuberant enthusiasm just a couple of years ago, a mood capable of changing at the opening of one exciting show.



The 1.3 litre Fiat Uno-matic 70. At last, a civilised and fuel-efficient automatic transmission for small engined cars.

Smoothing a brutal device

MOTORING

STUART MARSHALL

THE MAN WHO invented the automobile gearbox 90 years ago was half apologetic. It was, he said, a brutal device, but it worked. He thought it would do until something better came along.

Nearly a century is a long time to wait and there have, of course, been vast improvements to the manual gearbox in that time. But not to the principle of using trains of gearwheels to multiply the engine's pulling power. The connection between engine and driven wheels still has to be broken momentarily to shift from one train of gears to another. And a driver's attention still has to be diverted from the road to operate the clutch and gear lever.

The history of motoring is full of attempts to replace the gearbox and clutch. Pre-selector gearboxes and fluid flywheels; synchromesh gearboxes with automatic clutches and electro-magnetic gearboxes—over the years they have come and gone.

In Europe, where engines are small, the manual gearbox reigns supreme. In the U.S. where, at any rate until recently, cars had masses of surplus engine power, nine out of ten cars had automatic transmission until energy conservation brought the "stick shift" back again.

Automatic transmission makes cars easier and, especially in heavy traffic, much pleasanter to drive. Livelier, too, for most people, because an automatic is faster off the mark than a manual car unless the latter is expertly or brutally driven.

What of those test reports in motoring magazines that prove automatics have slower acceleration than manual gearbox equipped versions? They are wholly misleading because unreal driving techniques are used to obtain them. Would you ever take the engine of your car up to 5,000 rpm and then drop the clutch in first gear so that you left the line with spinning wheels and smoking tyres? I thought not. Neither would I, but that is how the 0-60 mph figures showing that automatics are slower than manual gearbox cars are obtained.

The greatest disadvantages of torque converter automatics are that they are heavy, complicated to manufacture, cost about twice as much as a synchromesh gearbox and clutch and waste a lot of fuel. They raise petrol consumption because of the slip that takes place inside the hydraulic torque converter or turbine. Locking-up the drive mechanically in top helps, but involves extra spending on an already costly component.

But the automatic transmission that gives the economy of a five-speed manual gearbox and the driving ease of a conventional automatic has been perfected and will be available to buyers by mid-1984. First car to have it will be the Fiat Unomatic, followed shortly by a two-pedal Ford Fiesta. I had a preview of it in a Unomatic in Italy a couple of weeks ago.

The transmission is based on the principle of the old Variomatic first used on the little Dutch DAF 33 twin-cylinder car 25 years ago. It had a centrifugal clutch that engaged automatically as the engine speeded up. The power was transmitted to the rear wheels by a rubber belt running over a pulley that grew or shrank in diameter according to the road speed of the car and the load on the engine. The DAF was so easy to drive it was much favoured by elderly ladies who had had great trouble in passing the driving test and became known, unkindly, as a GT bath chair.

Variomatic was, in my view, a rough device. It would have been fine on a garden tractor. But it tugged and snatched disconcertingly when crawling in traffic and the forward/reverse selector gnashed its teeth angrily, especially when manoeuvring with a cold engine running fast on the choke.

The new continuously variable transmission on the Unomatic has been jointly developed by Fiat and Van Doorne's Transmissie, a Dutch company in which Fiat, Borg-Warner, Volvo BV (who make the 340 and 360 models) and the Dutch Government hold the shares. It bolts on to the engine, just like a normal clutch and gearbox. A belt runs over pulleys that vary in diameter, but the belt is made of a large number of metallic sections, rather like a woman's bracelet. It needs no maintenance and lasts as long as the car.

Multiple disc clutches take up the drive initially in forward or reverse. Then the belt and variable diameter pulleys do the rest, changing the overall "gearing" according to the driver's demands. If it sounds a bit complicated, fear not; nothing could be easier and pleasanter to drive than a Unomatic.

The selector has the usual automatic transmission P for park, R for reverse, N (neutral), D (drive) and L (low) markings and allows the engine to be started only in P or N. For normal driving, one leaves it in D range, with the L range option if you are in a great hurry or tackling hilly terrain. Then, the engine is encouraged to rev. freely. In D, the transmission keeps it down to lower, more fuel efficient speeds.

Official figures show the Unomatic 70 to be marginally slower than an expertly handled 5-speed manual Uno 70 (99 mph against 102 mph), to take one second longer to reach 62 mph from a standstill (12.7 against 11.5 seconds) but to have an identical fuel consumption (42.8 mpg average).

I found it delightful to drive. It cruised on the *autostrada* at a relaxed 90 mph, was nippy in town and stormed sasisfyingly up winding hills. CVT (constantly variable transmission) will probably add about £250 to the price of a Uno 75, which motorists who drive a lot in town and see no special virtue in continuously changing gear will consider money well spent. And how long before CVT kills off the manual box? I'll give it another 10-15 years at the most.

Spiritual help be damned

FISHING

JOHN CHERRINGTON

YOU WILL REMEMBER perhaps that I had been having what might be called spiritual help in throwing off the craving for salmon fishing. So much so that I thought I was cured. But on the last day of my Wye fishing I felt I had to see if this was really so, or else I might have stayed at home. I would, I told my wife, have an hour or two on the water and then head for home, having donated my tackle to a deserving friend.

It was not a very propitious day. The river was fairly high and too coloured for the fly. So I scrambled down the steep bank on to a crib and began spinning. Spinning on the Wye in many cases is a recipe for festooning the bottom with a selection of ironmongery, but latterly I have become a bit cunning, and used a wooden minnow without a metal lining which will float, even with the mount in it.

Thus it ravels a few inches above the bed, clear of the rocks. I have also been taught to remain in contact with the bait by holding the line as it travels round. I can feel the lead hitting the bottom and either by tightening the line or lifting the rod can avoid the worst of the snags. This process also makes spinning more interesting than simply throwing out the bait and winding it in.

I fished for some time and then felt the minnow stick. I thought it was weed and jerked quite smartly with no result. I tightened and gave a steady pull and it seemed as firm as a rock. I gave it one more try and it moved a little. It must be a branch or some other moveable obstruction, so I gave it a steady pull at which the line slackened and then suddenly made off across the stream, pulling nylon off the reel. At last, a salmon, a fitting swan-song to my career.

But it did not play like a salmon and when it leapt out of the water I saw that it was a pike. Once landed, it turned out to weigh about 8 lbs and in very good condition. It must have been one I had been watching chasing small fish earlier in the summer in that very spot.

This I thought must be part of the cure, raising and dashing my hopes. I am not very fond of pike to eat but my companion's eyes gleamed when I gave it him, and he talked of Quennelles de Brochet.

I fished on, and in the afternoon was having a spell in the boat with the ghillie. We did not see a single fish but kept running the bait in the tail of the pool where one might be. He is a young man, the ghillie, and we discussed the prospects he faced if the salmon got scarcer and scarcer. I would be classed as elderly, but he has some 40 years to go. The army seemed a last resort; perhaps farm work.

Once I thought I felt something touch the bait. It wasn't the bottom, and there was no weed on it when I retrieved it. I cast again and again in the same spot then there was no doubt about it. I felt the fish touch the minnow then take it firmly and make off with it.

Playing a salmon with a fixed spool reel is a fairly mechanical process, but the object of the exercise is to land and despatch the fish as soon as is practical. This was a heavy fish and did not show above the water until he was ready to be netted.

It is another pike I said to the ghillie, but it wasn't. It was a cock salmon weighing 10 lb and only slightly coloured. I fished on for another couple of hours with no result, nor did anyone else touch one. I despatched the salmon to be smoked and drove home in a rather confused state of mind. I had made a firm decision that morning that this was the last day ever. I was certainly thrilled by this fish but wondered why on this day of all days the bishop's spell to help me overcome my craving for salmon had obviously worn off.

Or had it? Was this the final trial of strength. Had sare hidden force impelled this fish to choose my minnow from the dozens which it must have seen on its way up the river. Had I at last found the secret of presenting it in an irrisistible way. I can't wait until next year to find out. Perhaps the bishop was not really trying after all.

BRIDGE

E. P. C. COTTER

A PAPERBACK edition of *Adventures in Card Play* by Geza Ottlik and Hugh Kelsey (Gollancz £4.95) has recently been published. On the front cover is quoted what I said about the original edition: "A most remarkable book." I maintain my opinion, but let me say at once that this is a book for the advanced player who is prepared to *think*, and to work hard.

This example may give you some new ideas on our old friend, the Finesse:—

W	N	E
	♠ A 3	
	♡ 9 8 6 4	
	◇ A Q 9 8	
	♣ A J 4	
♠ K 9 6 5 2		♠ —
♡ K Q 10		♡ J 7 3 2
◇ K J 7 5		◇ 10 6 4 3 2
♣ 3		♣ 10 8 7 2
	S	
	♠ Q J 10 8 7 4	
	♡ A 5	
	◇ —	
	♣ K Q 9 6 5	

With North-South vulnerable, West deals and, playing five-card majors, bids one spade, North doubles, and South says two spades. North rebids two no trumps, and South, thinking that West has tried one of his first hand psychics, bids six spades. He changes his mind when West doubles and leads the heart King, which is taken by the Ace.

Here it is not a question of what suit to finesse, but what card to play. The spade Queen will not do — the declarer must play the seven, and run it. He crosses to the Ace, discards his losing heart on the diamond Ace, and returns the club Knave—a most essential unblock—to his Queen, following with the Queen of spades to force out West's King.

Ruffing the heart Queen, South draws the remaining trumps, cashes the club Ace, takes the marked finesse against East ten, and scores his slam.

The hand which we have just discussed, let me tell you, is very simple compared with some others that you will meet later. The going is tough, but you will find the new ideas contained in this book really absorbing.

Let us now turn to Elopement, which is an extension of the Coup en passant:—

W	N	E
	♠ A Q 10 4	
	♡ 6 5 3	
	◇ 10	
	♣ Q 9 6 4 2	
♠ J 9 7 3		♠ K 8 6 5
♡ Q 9 7 2		♡ J 10 8
◇ 9 4 3		◇ A K Q 8
♣ J 10		♣ K 8
	S	
	♠ 2	
	♡ A K 4	
	◇ J 7 6 5 2	
	♣ A 7 5 3	

North deals at game all, and passes; East bids one no trump. West tries a Stayman two clubs. North doubles, and East says two spades. As North's double showed clubs and a trick or two, you jump to five clubs on the South cards, and all pass.

West leads the heart two, you win East's ten with your Ace, and return a diamond to the ten and Queen. You take the heart return with your King, cross to the Ace of spades, and lead the Queen of clubs. East covers, and you win with the Ace. Now you ruff a diamond, ruff a spade, ruff another diamond, and lead dummy's Queen of spades. East covers with his King, and you ruff in hand.

When you lead a fourth diamond West cannot escape the elopement. If he ruffs, dummy's losing heart is thrown, and the defence cannot prevent you from making both the six and seven of clubs by elopement. If West throws the Knave of spades, the six of clubs scores, the spade ten allows you to throw your heart loser, and your seven of clubs must score by elopement. And if West throws a heart, you can make three elopements on the next three leads.

Please lay out the cards and play through the hand carefully. You will find the study amply rewarding, if your eyes are opened and you start to look out for elopement.

CHESS

LEONARD BARDEN

WORLD CHAMPION Anatoly Karpov made a late bid this week to preserve his No. 1 international ranking, which looked sure to fall to his 20-year-old rival Kasparov. Karpov was among 12 grandmasters invited to Tilburg in Holland for the annual Interpolis Insurance tournament which invariably attracts the best GMs.

It was a critical occasion for the champion following Kasparov's dashing success at Niksic, and Karpov's own unclear role in the events which led to Kasparov's temporary default from the world title eliminators. Some claimed that Karpov's allies in the USSR chess and sports hierarchy provoked the default to stop their protege's dangerous rival.

Karpov struggled to win at Hanover in August where he lost with White to an unknown West German. His wife recently divorced him and took away their three-year-old son to her new marriage to a doctor. Thus professional and personal pressures combined at Tilburg where Karpov faced a field of 2,600-plus rated GMs, nearly all ranked in the world top 15. Only Korchnoi, Kasparov and Ribli (preparing for the title semi-finals) and Britain's Miles and Nunn (not yet officially rated 2,600) were missing from the elite.

In a recent interview, Karpov's old enemy Viktor Korchnoi paid an unexpected tribute. Korchnoi said he does not believe that Kasparov is stronger than Karpov, comparing the younger man to a boxer with one great punch. "Kasparov creates fantastic games, but if things are not going his way, if his opponent withstands his big punch, then he is vulnerable" stated Korchnoi. "Karpov is a great fighter and has proved his endurance in long matches. It remains to be seen how Kasparov will fare in a long, difficult match."

Karpov's quiet personality yet subtle competitive qualities have brought an unparalleled first prize record. He soon took the lead at Tilburg and was half a point in front going into the final round. Final scores were Karpov 7 out of 11. Ljubojevic and Portisch 6½. Sosonko and Vaganian 6. Hubner, Polugaevsky and Spassky 5½. Andersson and Timman 5. Seirawan 4. Van der Wiel 3½.

Karpov will shortly be in action in England when BBC2's annual Master Game is staged live for the first time. Play is at Bath Guildhall from 2 to 10 November. The champion has three significant rivals: U.S. co-champion Walter Browne, the Czech GM Hort, and Britain's No. 1 Tony Miles. In the 1977 Master Game, Miles lost to Karpov in the final after an epic three-game series; currently in fine form, Miles is quietly confident of doing well against the great man next week. Tickets are £2.50 daily at the door, play is 2-8 pm, and the British Chess Federation at 0424 442500 can supply more information.

Karpov looks through several thousand tournament games a year in his constant search for precision and knowledge of rivals. Here a small refinement swings the balance from White to Black in a well-known opening.

White: H. Bastian (West Germany). Black: A. Karpov (USSR). Sicilian Defence (Hanover 1983).

1 P-K4, P-QB4; 2 N-QB3, N-QB3; 3 P-KN3, P-KN3; 4 B-N2, B-N2; 5 P-Q3, P-Q3; 6 P-B4, P-K3; 7 N-B3, KN-K2; 8 0-0, 0-0; 9 B-K3, N-Q5; 10 R-N1, P-N3!

Saving a tempo on R-N1 played in an earlier Spassky-Portisch game. White cannot exploit the temporary long diagonal weakness by 11 NxN, PxN; 12 P-K5, R-N1; 13 BxP because of N-B4; 14 B-B2, PxP when Black stands well.

11 N-K2, NxN (B6) ch; 12 BxN, B-N2; 13 P-B3, Q-Q2; 14 P-KN4, P-B4; 15 N-N3, QR-K1; 16 Q-N3?

The queen is out of play, enabling Black to open the centre with mating threats. Better 16 Q-Q2.

16 . . . K-R1; 17 QR-K1, P-K4! 18 NPxP, NPxP; 19 B-R5, N-N3!

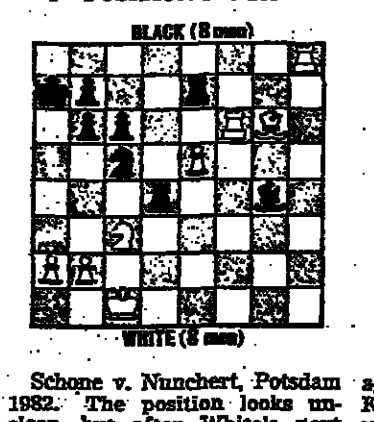
So that if 20 NxP, RxN! 21 PxR, QxP with a winning attack.

20 KPxP, PxP; 21 BxN, Q-B3! 22 N-K4, RxN! Decisive, for 23 PxR, QxKP gives a long diagonal mate.

23 P-B6, RxB; 24 PxB ch, KxP; 25 B-K4, P-Q4; 26 B-R1, Q-N3 ch; 27 K-B2, Q-R4; 28 Resigns. For if 28 R-N1 ch, K-R1; 29 R-N2, Q-B6 ch wins.

POSITION No. 488

BLACK (8 men)

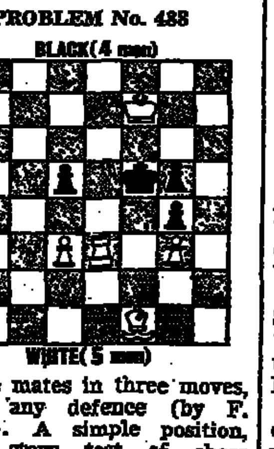


WHITE (8 men)

Schone v. Nunchert, Potsdam 1982. The position looks unclear, but after White's next turn Black resigned at once. The double puzzle is to find (a) White's move which decided Black to give up and (b) what Black should have done instead of surrendering.

PROBLEM No. 488

BLACK (4 men)



WHITE (5 men)

White mates in three moves, against any defence (by F. Kuskop). A simple position, yet a stern test of chess imagination. White's difficulty is that Black plans to stop any mate by ...P-Q5, while the natural 1 P-Q4? concedes a stalemate draw.

Solutions Page 12

Golden oldies

RECORDS

ANTONY THORNCROFT

While the bright eyed in the record industry hunt for the new bands and the fresh sounds the beady eyed re-release old material. Pop music has been such a success story over the past generation that its obsession with its history is quite understandable. The most interesting recent unearthing is a double album compilation called *Mersey Beat* which contains 37 songs from the Liverpool bands of the early sixties.

By 1961 there were over 300 bands in the city and although one turned out to be The Beatles when these songs were recorded there was no certainty that they would make the cover of Time Magazine rather than Johnny Sandon and the Remo Four or Rory Storm and the Hurricanes. And listening to the album the main characteristic of the Beatles songs including "She loves you," for example, is their stridency, their demand to be heard, with no hint of their later sophistication.

Unfortunately the only live track included seems to be "'Reelin' and rockin'" by The Big Three, a good example of the Liverpool knack of anglicising black American songs. But, in a mono recording, much of the home made, the fresh, the simple and the direct survives—you can imagine the guitarist's eyes following his fingers around the frets.

A surprise is the variety of it all. Here are the Undertakers making good use of the saxaphone; The Escorts sounding like one of today's pretty boy bands; Rhythm and Blues Incorporated, who broke The Beatles house record at the Floral Hall Southport, living up to their name with an enthusiasm which later blues bands often lack. The Searchers sound smooth, Cilla Black unsubtle, Rory Storm likeable, in a version of "America" which was produced by Brian Epstein, his only known attempt at recording. This is an album which is heavy with arcane memories but manages to sound quite contemporary. For all the fads and fancies of the intervening year the basics of pop around 1961 have survived largely unscathed.

Mersey Beat is worth while because many companies have contributed tracks for the sake of completeness. Polydor is going it alone in releasing at budget price some celebrated records from its archives, like Eric Clapton's *461 Ocean Boulevard*, *Blind Faith*, and the Bee Gee's *Spirits having flown*. Barclays James Harvest, the Jam and Jimi Hendrix are among others jogging the memory of the market. Sometimes the memories hardly have time to form. *The Early Tapes* from Level 42 dating back just to the summer of 1980 and suggesting on such tracks as "Love meeting love" that this now fashionable band was the first into British disco funk.

Early tapes from bands that later became famous, or rather infamous, are the hidden treasure of the business and Elektra is purring at discovering some "lost" tapes of the Doors, perhaps the most notorious band of rock music. In this case the excitement is justified for *Alive she cried* contains a stunning version of "*Gloria*" with singer Jim Morrison doing enough in an auto-erotic frenzy to get himself arrested yet again. Fortunately this track was recorded in an empty hall, and even without the provocation of an audience, this quickly dead rock tragedy went to his vocal and physical limit. Set alongside today's sanitised sounds this is earthy stuff.

Fortunately pop music always manages to come up with the new. Currently the novelty must be *Dancing for Mental Health* by Will Powers, released on Island. This is the album for those who find Laurie Anderson hard to dance to, a wonderful send-up of the Americans' twin obsessions, aerobics and psychological hang-ups. Will Powers is a photographer: Lynn Goldsmith, who, using a vocoder, manages to sound androgynous and quite serious as she recommends dancing as a cure for marital problems as in the title track, and chanting to cure worries about kissing on "Kissing with confidence." Lynn Goldsmith has come up with a most engaging album: you can dance to it, laugh with it, take it serious, and even find it useful. This is the ultimate manifestation for those who believe music can solve the world's problems.

Hungary celebrates new music

Dominic Gill at Budapest's annual festival of contemporary music

This year's annual festival of contemporary music — *Korunk zenéje* — in Budapest was the 10th since 1974, when new music was established as a separate category within the Budapest Music Weeks for the first time. I have always been wary of that separation, which is sometimes no more than a way of relegating new-musical activity to a convenient ghetto; but in Budapest (as opposed, for example, to Royan in France, which was undermined, and eventually destroyed, by just such well-meaning élitism in the 1970s) the perspectives have generally been broad and generous, encompassing as wide a range as possible of manners and styles.

It was hardly possible, in the present rapidly darkening economic climate, to celebrate the anniversary with the flamboyance the Hungarians would have liked (a lack of foreign currency in particular has noticeably curtailed invitations to foreign performers). But this 10th festival — a little leaner, and inevitably overcast by the same clouds as everyday life — still had an abundance of those musical qualities which have persuaded me to return so often to Budapest: of vivacious spirit, or originality and invention, and lively technical polish.

During the ten years after the last war, musical life in Hungary suffered seriously from the official rejection of the "counter-revolutionary" aesthetic (as it was then condemned) of Bartók, and from the imposition of a very narrow range of musical expression—essentially a kind of sub-Kodály, romantic - folklorist stereotype, usually a cantata, oratorio, suite, serenade or divertimento, profoundly synthetic and, in a way that will be familiar to every student of post-revolutionary art, profoundly dull.

Few people in Hungary today, from the Music Academy or the Ministry of Culture to the man on the Rákoczi Street omnibus, find compliments to pay to the products of that decade; the official historical surveys themselves even remark on its "insularity and narrow-mindedness." Kodály alone, by then well into his sixties, was able to uphold and develop without compromise the tradition he had established before the war. He could still declare, as he had always declared, "May music belong to everyone!"—but now, ironically, speaking as the sole representative, no longer the father, of a school.

Kodály's school, indeed, either aped its master to death, or turned away from him entirely. In the late 1950s a radically new spirit of freedom, inquiry and adventure began to emerge in Hungary: cultural links were tentatively, but definitely, resumed. The genius of Bartok was re-established; the works of Stravinsky, Schoenberg, Berg and Webern were studied and performed for the first time. It was a slow process, initiated not so much by any radical change as by a gradual shift of emphasis. To begin with certain prominent members of the older generation found their way back to the freer expressive idioms of their youth—Pál Kadosa in a fourth symphony, Ferenc Farkas with a *Cantus Pannonicus* for chorus and orchestra, Ferenc Szábo with a new string quartet: all unarguably works of the Kodály mainstream, but each one stamped with the author's personal, individual mark.

It is generally agreed that György Kurtág, born in Lugos in 1926, a pupil of Sándor Veress and Ferenc Farkas and later in Paris of Messiaen and Milhaud, was the first Hungarian composer of his generation to break convincingly from the Kodály axis and discover a style originally and distinctively his own. He was certainly one of the first to achieve recognition in his home country as well as the seeds of notice and interest abroad: and it was around Kurtág during the 1960s that a new group of composers came to prominence—some of them pupils of music schools in Rome and Paris, others visitors to Darmstadt and Warsaw—who were the first to carry forward the banner of the new music in Hungary, no longer content with the same precarious re-stitching of "traditional" pre-war styles.

Kurtág's opus is very small (by next year it will have reached 23); he works slowly, with extreme self-critical restraint. The few compositions which do find their way to publication are often miniatures (or collections of miniatures) of the briefest duration: but small as they are in size, they are large in spirit and complex resonance—Kurtág premieres have consistently been among the high points of the last decade of *korunk zenéje*. Last year I wrote here of his *Fragments* op. 20, a cycle of 20 tiny songs for solo soprano; and Prom-goers will also remember a performance 14 months ago of *Messages of the late Miss R. V. Troussova*, another miniature song cycle for voice and instruments.

It is a genre which Kurtág has made very much his own. This year's outstanding premiere was another work of the same mould: *Scenes from a novel* op. 19, a cycle of 15 short songs for soprano with violin, cimbalom and double-bass. The text, like that of *Troussova*, is chosen again from the notebooks of the Russian-Hungarian poet Rimma Dalos. The theme is inconstancy, yearning, self-betrayal, underpinned by a recurrent motif of farewell. Each song is a deft and delicate encapsulation of a single moment in, or a summary of, its poem-fragment. The words of "I reach out my hand, and chase away your frost with my warmth" unfold to the sound of a violin's open strings slowly warmed into complex dissonance; "My soul's rush-hour" scrambles past, slightly mistuned, to the strains of a hurdy-gurdy waltz.

There is much sharp irony and paradox in the settings—every one a marvellous concentration of gesture, the pain of a sentence distilled into the colour or placing of a single note. Adrienne Csengery was the eloquent soloist. The cycle should find its way to England quickly: perhaps the Bath Festival could give it next year, when Kurtág is their special guest?

Scenes were the climax of Budapest's new-music week: but there was much else also worthy of note. At a concert played by the excellent Ensemble Modern of Cologne's Philharmonic Youth Orchestra conducted by Peter Eötvös, the *12 Songs* of Zoltán Jeney (another cycle inspired by the example of Kurtág) had their Hungarian première: an eclectic scrapbook of mainly English texts set in an idiom more austere than Kurtág's, but of similar density—I should like to hear them again. The contribution of the New Music Studio—a welcome experimental presence for seven seasons now at the festival—was perhaps uncharacteristically low-key, but served to introduce a remarkable young percussion talent, Zoltán Rácz, whose sensational performance of Stockhausen's *Zyklus* was the best I have heard anywhere, and should certainly be recorded.

No section of the orchestra lacks its outstanding virtuosos in Hungary. The flautist Istvan Matuz has sharpened the edge of many past festivals: this year, as well as giving pieces with orchestra in a late-night performance by Penderecki, Jolivet and Fukushima Kasuo, he was the protagonist in a late-night performance of Peter Eötvös *Sequences of the wind*—a linked series of 11 studies for six instruments, unostentatious and economical in their scoring, arrestingly direct and poetic in effect: unexpected and rewarding finale of my week.

FT photographic exhibition opens

The third major Financial Times photographic exhibition to be held at the Stock Exchange, London, features wildlife in the National Parks of Zambia, photographed by Glyn Genin, FT picture editor.

Genin spent two weeks this summer as a tourist visiting three of Zambia's Parks—Kafue, Luangwa and Mosi oa Tunya.

Wildlife opens at the Stock Exchange Visitors' Gallery on Monday and runs until Friday, December 30. The Gallery is open Monday to Friday, 9.45 am to 3.15 pm.

The snarling leopardess was photographed with a Nikon FE2 camera, 400 mm lens, using Ilford XP1 film.

Arts news in brief

Harveys of Bristol, one of the country's leading arts sponsors, has announced its sponsorship programme for the autumn/spring 1983/84 season, most of which will take place in the West of England.

Once again two of the principal recipients of this sponsorship programme will be the Bournemouth Symphony Orchestra and the Bournemouth Sinfonietta.

For the ninth successive season Harveys is sponsoring the 14 concert programme by the Bournemouth orchestras.

Kent Opera has announced the appointment of Ivan Fischer as music director of the company from Spring 1984. He was the winner of the Rupert Foundation Competition for Young Conductors in 1976. Since then he has conducted many of the leading orchestras in Britain.

A three part series about Brigitte Bardot and the TV premiere of the silent cinema masterpiece *Napoleon* are among the highlights of a week of special programmes to celebrate Channel Four's anniversary next month.

Brigitte Bardot will tell her own story in the three-part documentary which starts on November 2.

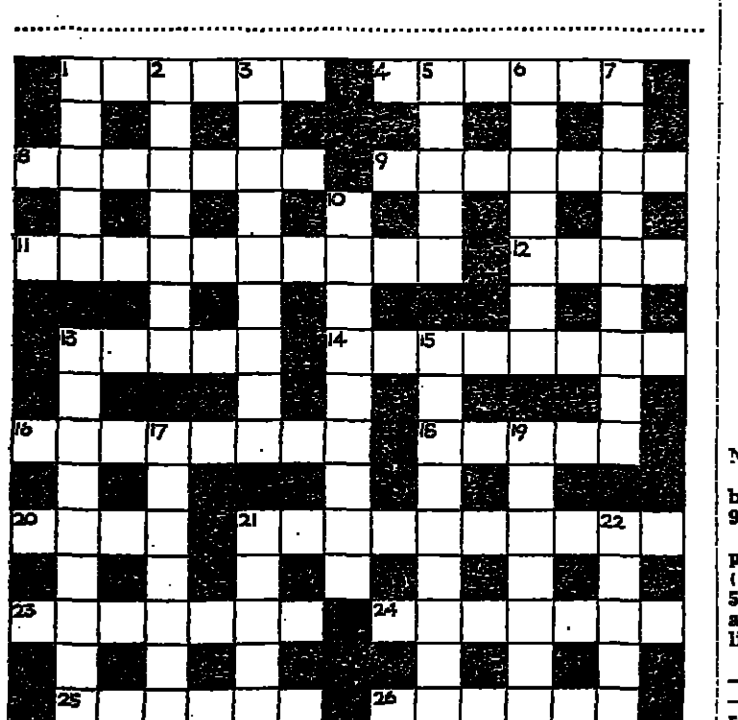
After the last programme in the series Channel Four will screen *And God Created Woman*.

F.T. CROSSWORD PUZZLE No. 5,255

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



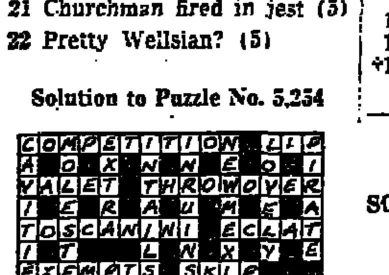
ACROSS

1 Private drawn in hunt (6)
4 Private sect-er? (6)
8, 9 Private? Warrior in Abbey (7, 7)
11 BL going red? It's a plant! (10)
12 Add spirit with string? (4)
13 Some tonic or ginger ale for the dog (5)
14 Mother and home remain our chief support (8)
16 Garment and cigar, possibly (8)
18 Lodge for navigator, one who sails in bed (5)
20 What rodents do when retiring is a bit of a wangle (4)
21 Meat for a pal at police dances? (5, 5)
23 Licence for jingoistic fanaticism? (7)
24 Collapse of French cable arrangement (7)
25 Stage name mounted in flooring (6)
26 After confidence trick you start to be mean (6)

DOWN

1 Part of poem by hill-dweller in company (5)
2 Pickler concealed in grave (7)
3 Profitable in the matter of defence, possibly (9)
5 It's all right in woman to call out (5)
6 Puzzles with holes in? (7)
7 Cutting crooked rent leads to song (9)
10 Theologian in sheikhdom, striking exception (3, 3, 3)
13 Old protection from those "copy out and send on" letters? (5, 4)
15 Starting to become nice in pit? (9)
17 Condensed waterfall? (7)
19 The Gulf's expression of contempt for waterfall? (7)
21 Churchman fired in jest (5)
22 Pretty Wellsian? (5)

Solution to Puzzle No. 5,254

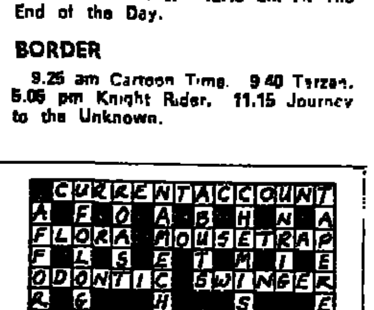


SOLUTION AND WINNERS OF PUZZLE No. 5,249

Mr E. Burke, Shiloh Birchwood Grange, Lincoln.

Mr Gavin Macaulay, 23 Fullarton Drive, Troon, Ayrshire.

Dr G. Shorrocks, 28 Linden Avenue, Thornton-Cleveleys, Blackpool.



BBC 1

+ Indicates programme in black and white

8.35 am Inch High Private Eye (Cartoon). 9.00 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News: Football Focus (12.20); Motor Cycling (12.50, 1.40); Sports Round-up (1.05); Racing from Ascot (1.25, 1.55, 2.25, 3.00); Snooker (2.10, 2.40, 3.15, 3.55, 5.15) State Express World Team Classic; Gymnastics (3.15, 3.55, 5.15) from Bundapest; Final Score (4.35).
5.35 News.
5.45 Regional Variations.
5.50 The Noel Edmonds Late Late Breakfast Show.
6.35 Blankety Blank.
7.10 Juliet Bravo.
8.00 The Paul Daniels Magic Show.
8.40 News and Sport.
8.55 "Brass Target" starring Sophia Loren, John Cassavetes, Robert Vaughn, George Kennedy and Max Von Sydow.
10.40 Carrott's Lib.
11.20 Late Night Horror "Peeping Tom."

REGIONAL VARIATIONS:

Wales—5.45-5.50 pm Sports News Wales.

Scotland—5.45-5.50 pm Scoreboard. 8.55-9.45 Knots Landing. 9.45-10.40 Sportscene.

Northern Ireland—5.00-5.10 pm Northern Ireland Results (opt-out from Grandstand). 5.45-5.50 Northern Ireland News. 1.00 am Northern Ireland News Headlines.

England—5.45-5.50 pm London—Sport; South-West (Plymouth)—Spotlight Sport; Other English regions—Sport/Regional News.

BBC 2

10.10-11.15 am Open University.
+2.40 pm Saturday Cinema Double Bill: "Easy Living" starring Victor Mature; and at 3.55 "Riff-raff" starring Pat O'Brien.
5.10 Hollywood Musical.
5.15 The Sky At Night.
5.35 Snooker: Second semi-final of The State Express Classic.
6.20 Greek — Language and People.
6.45 Grand Slam.
7.10 News and Sport.
7.30 Fly on the Wall.
8.00 "The Beggar's Opera." Jonathan Miller's new production of the ballad opera by John Gay, starring Roger Daltrey as Macheath.
10.15 News On 2.
10.20 Snooker highlights.
+11.20 The Twilight Zone.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 Athletics—The New York City Marathon: 12.35 Sportstar of the Year: 12.45 News; 12.50 On the Ball: 1.20 The ITV Six from Newmarket and Wetherby (introduced by Brough Scott and Derek Thompson). 3.00 Baseball—The World Series: The Baltimore Orioles v The Philadelphia Phillies: 3.45 Half-time Soccer Round-up: 4.00 Wrestling: 4.45 Results.
5.00 News.
5.05 CHiPs.
6.00 Game for a Laugh.
7.00 Russ Abbot's Madhouse.
7.30 Punchlines.
8.00 Hart to Hart.
9.00 News.
9.15 "Lost and Found." starring George Segal and Glenda Jackson.
11.15 London News Headlines followed by the Stanley Baxter Series.
12.15 am After Midnight.
1.00 John Watts followed by Night Thoughts with Pete Murray.

CHANNEL 4

2.00 A Kind of Living.
+2.25 "Young Mr Lincoln" starring Henry Fonda.
+4.20 Scarecrow.
4.35 The Chicago Teddy Bears.
5.05 Brookside.
6.00 Video Video.
6.35 News Headlines, followed by Flashback.
7.05 Seven Days.
7.30 Union World.
8.00 Songs for Bad Times.
9.00 The Avengers.
10.00 Fox.
11.00 For 4 Tonight.
11.30 The Worst of Hollywood: "Creeping Terror."

S4C (WALES)

2.00 pm Cynhadledd '83. 3.00 The Tube. 4.30 Utopia Ltd. 4.55 Yr Awr Fawr. 5.55 Superted. 6.05 The Incredible Hulk. 7.00 Newyddion Sanh. 7.15 Ar Drannau. 7.45 Gwen Tomos. 8.35 Plaid Cymru. 8.45 Rockers Roadshow. 9.30 Y Maes Chwarae. 10.20 Follow the Nation's Health. †11.20 Naked City.

REGIONS

IBA Regions as London except at the following times:—

ANGLIA

9.35 am Falcon Island. 10.05 Vicky The Viking. 5.05 pm Knight Rider. 11.15 Star Parade. 12.15 am At The End of the Day.

BORDER

9.25 am Cartoon Time. 9.40 Tarzan. 5.05 pm Knight Rider. 11.15 Journey to the Unknown.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 Vicky the Viking. 9.55 [illegible] 10.00 Terrahawks. 5.05 pm Knight Rider. 11.15 Kolchak, The Night Stalker.

CHANNEL

9.25-11.00 am Saturday Space— [illegible] Space 1999 [illegible]. 5.05 pm [illegible] 5.10 Knight Rider. 11.15 No Nuken Festival.

GRAMPIAN

9.35 am The Smurfs. 10.05 The Adventures of Gulliver. 5.05 pm Knight Rider. 11.20 Reflections. 11.25 In Concert—with Nana Mouskouri.

GRANADA

9.25 Best Foot Forward. 9.40 Sport Billy. 10.05 Vicky the Viking. 5.05 pm Knight Rider. 11.15 Hawaii Five-O. 12.10 am The Boomtown Rats.

HTV

9.30 am Sesame Street. 12.13 pm HTV News. 5.05 Knight Rider. 11.15 The Best of Saturday Night Live. 12.15 am That's Hollywood.

SCOTTISH

9.25 am Storytime. 9.35 Stingray. 10.05 Happy Days. 5.05 Knight Rider. 11.15 Late Call. 11.20 9 to 5. 12.15 Curling.

TSW

9.25 am Dick Tracy. 9.30 America Screams. 10.20 Cartoontime. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Metal Mickey. 11.00 Little House on the Prairie. 11.46 The Fruits of Southampton. 12.12 pm TSW Regional News. 5.05 Newsport. 5.10 Knight Rider. 11.15 No Nuken Festival. 12.15 am Postscript.

TVS

9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 Terrahawks. 12.12 pm TVS Weather. 5.05 Diff'rent Strokes. 5.35 DJ. 11.15 Roots of Rock 'n' Roll. 12.15 pm Showcase. 12.30 Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Gather Your Dreams. 10.00 TT Time. 10.05 The Pumpkin Who Couldn't Smile. 12.13 pm North East News. 5.05 North East News. 5.10 Knight Rider. 11.15 Rock Around Midnight — Steve Miller followed by Al Stewart. 1.00 am Post's Corner.

ULSTER

9.25 am Space 1999. 10.20 Cartoon Time. 5.10 pm Knight Rider. 11.15 Star Parade. 12.15 am News.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Melodrons. 9.35 Metal Mickey. 10.00 University Challenge. 5.05 pm Knight Rider. 11.15 City of Angels. 12.10 am Late Night Drama.

RADIO 1

(S) Stereo broadcast

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm My Top 12 ((S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

7.30 am David Jacobs (S). 8.02 Racing Bulletin. 8.30 Sounds of the Sixties (S). 10.30 Album Time (S). 11.02 Sports Desk. 11.30 Konny's Hallowe'en Party (S). 1.00 pm The Grumbleweeds. 1.30 Sport on 2: Racing from Newmarket at 1.45 and 2.45; Rugby Union (2.20, 3.05, 4.50) South of Scotland v New Zealand; Football, including 3.55 second-half coverage; 5.0 Sports Report. 6.00 Football Results and 5.45 Racing Results. 6.00 The Spinners' 25th Anniversary Show. 7.00 Beat the Record. 7.30 Gala Concert Hall (S) including 8.20-8.40 interval with Philip Bergson. 9.30 Big Band Special (S). 10.00 Saturday Rendezvous (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Lee Allen presents You and the Night and the Music (S).

RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert from the Royal Festival Hall, London (S). 12.15 pm London Saxophone Quartet (S). 1.00 News. 1.05 Metropolitan (S). 2.00 Schumann Revised Mahler (S). 3.00 Haydn and Beethoven: String quartet recital (S). 4.00 Vienna Philharmonic Orchestra (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Music of Olivier Messiaen played by Gillian Weir (S). 7.35 Johann Strauss in Transcription (S). 8.00 Three Choirs Festival 1983: Choral and orchestral concert recorded in August Part 1. Poulenc, Wagner (S). 8.45 The Dialectical Immaterialist (Talk by George MacDonald Ross). 9.05 Three Choirs Part 2. Paul Patterson (S). 9.50 Interpretations on Record. Denis Matthews on Beethoven's Piano Sonata Op. 111 (S). 10.45 Another World (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's A Bargain. 7.55 Weather; Travel; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm Just a Minute (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? from the Royal Commonwealth Society, London. 1.55 Shipping Forecast. 2.00 News. 2.05 Afternoon Theatre. 2.50 Just the Job. 3.00 Medicine Now. 3.30 Worlds of Faith (S). 4.00 News; International Assignment. 4.30 Does He Take Sugar? 5.00 Wildlife. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel; Programme News. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre: "What Every Woman Knows" by J. M. Barrie (S). 9.58 Weather. 10.00 News. 10.15 Who Needs a Voice? 11.00 Lighten Our Darkness. 11.15 Hot Air. 11.45 The Archive Auction. 12.00 News.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Peter Deeley. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Vivien Stuart. 1.00 pm Sportswatch with Dominic Allan and Jeff Stelling. 6.00 LBC Reports with Vivien Stuart. 7.00 Geet Mala. 8.00 Network. 9.00 Hayes on Saturday. 10.00 Nightline. Adrian Love. 1.00 am Night Extra.

7.32 am Good Fishing. 8.04 London Today. 9.03 It Seems Like Only Yesterday. 9.30 Corridors of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 6.30 Evening Star. 7.30 Hold the Front Page. 8.00 Radio Replies. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-5.00 am Join Radio 2.

BBC RADIO LONDON

7.00 am The Breakfast Show. 10.00 Pick of the Pops — Take Two. 12.00 The Mike Allen Music Centre. 2.00 pm Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 Greg Edwards' Soul Show. 9.00 Roots Rockers. 11.00 Foreign Affair. 12.00 Midnight Special.

Solution to Position No. 488

1 N-N5 ch. Resigns because of PxN; 2 R(6)-B8 and 3 R-R8 mate—but Black could play 2...N-N6 ch! 3 PxN, R-Q8 ch; 4 K-B2, R-B2 mate. If here 3 K-B2, R-B2 ch; 4 KxN, B-K3 ch; 5 K-R3, R-R5 mate or 3 K-N1, R-Q8 ch; 4 K-B2, R-B8 ch; 5 K-B3, R-B2 ch; 6 K-N4, R-Q5 ch; 7 K-R3 (7 K-N5, R-B4 mate), R-R5 mate.

Solution to Problem No. 489

1 R-K4, PxR; 2 P-Q4, P-K6; 3 B-Q3 mate, or if 1...P-Q5; 2 B-R3, PxB; 3 P-N4 mate.

THEATRES

ADELPHI. 836 7611-2 Credit cards 930 9232/836 7358 Grp sales 930 6123. ROYAL SHAKESPEARE COMPANY'S MUSICAL OF THE YEAR. Alfred Marks, Geoffrey Hutchings, Antonia Ellis, David Firth in POPPY by Peter Nichols & Monty Norman. Advance Box Office now open. Reduced price previews from Nov 14. Opens Nov 22.

ALBERY. S 01-836 3878. CC 379 6565/ [illegible]

[illegible]

GLOBE. CC 01 437 1592. Andrew Lloyd Webber presents THE SMASH HIT COMEDY OF THE SEASON. DAISY PULLS IT OFF by Denise Deegan. Directed by David Gilmore. Evgs 8.0. Mats Wed 3.0, Sat 5.0. Group sales 930 6123.

GREENWICH THEATRE. 01-858 7755. Evgs 7.45. mats Sat 2.30. FRANCIS. A new play by JULIAN MITCHELL.

HAYMARKET THEATRE ROYAL. 930 9832. Group sales 01-930 6123. Evgs 7.30. mats Wed 2.30. Sat at 4.0. JOAN PLOWRIGHT, FRANK FINLAY, LESLIE PHILLIPS, [illegible]

[illegible]

LACED WITH NOSTALGIA

SHOPS specialising in antique bed linen, nightdresses and old lace have been happy hunting grounds for several years now for those who love old materials, and fine workmanship, and have had their fill of polyester, nylon and other artificial fibres. However, the one disadvantage of genuinely old items is that numbers and supplies can never be guaranteed.

Lunn Antiques is perhaps one of the best-known shops specialising in everything old made from cotton, linen or lace. It found that demand for original Victorian nightdresses fell so far short of supply that it has started to organise the manufacture of exact copies of two of its most popular Victorian designs.

Both nightdresses are made entirely from pure white cotton, both, unlike many of the originals, are machine-washable and each costs £38. Anybody who is able to visit the shop at 86, New King's Road, London SW6 should do so—it is full of everything desirable for bedroom, bathroom or dining-room. There are hand-embroidered sheets, large square continental cushions, bedspreads, antique lace, curtains, fine linen, hand-embroidered napkins, blouses and genuine Victorian nightdresses.

If you can't make it to the shop Lunn Antiques will post either nightdress by mail. Send a cheque for £39 (the extra £1 to cover postage and packing) and describe the nightdress you would like as either wide-collared or lacy (as you can see from the sketch this will be identification enough) and it will be sent to you within a few days. Lunn Antiques does not bank the cheque until you confirm that you like and are keeping the nightdress.

DRAWING: ANNE MORROW

● ● ●

A new carpet cleaning lotion doesn't seem terribly exciting at first thought but those who have tried Afia Carpets' Stain-X are inclined to rave about its cleaning powers. It appears to remove most stains provided it is used almost immediately. It is important to follow the directions on the bottle exactly but if you do as you're told it is said to remove tea, coffee, red wine and even rust. A bottle costs £3.25 from Afia Carpets, 60, Baker Street, London W1 or Judy Afia's Carpet Shops. Out of London readers can buy it by mail by adding 60p postage and packing charge and writing to Afia Carpets, 154, Tottenham Court Road, London W1.

MIXED METALS

ROGER TAYLOR trained originally as an industrial designer and looking at the smooth, strong lines of his jewellery his early influences can be clearly seen. For the last four years he has been concentrating mainly on designing and making jewellery, and what gives the pieces their distinctive look are the many industrial techniques he uses. He has found that the chief influences on his designs are the necessity to be commercial (after all, what is the point of producing jewellery that nobody wants to buy?) and the constraints of the manufacturing processes he uses.

He works mainly in silver and 18 carat gold but occasionally produces a few items in brass (like the handsome cufflinks sketched right). His jewellery sells principally through the Andre Bogaert shops which are at 5, South Molton Street, London W1, 124, New Bond Street, London W1 and 10, Sloane Street, London SW1, but out of London there is also Sue Foster, Clifton Antiques Market, The Mall, Bristol, Jules Henrie, 22, East Street, Brighton, and Cardogan Peat, 7, Tunsgate, Guildford.

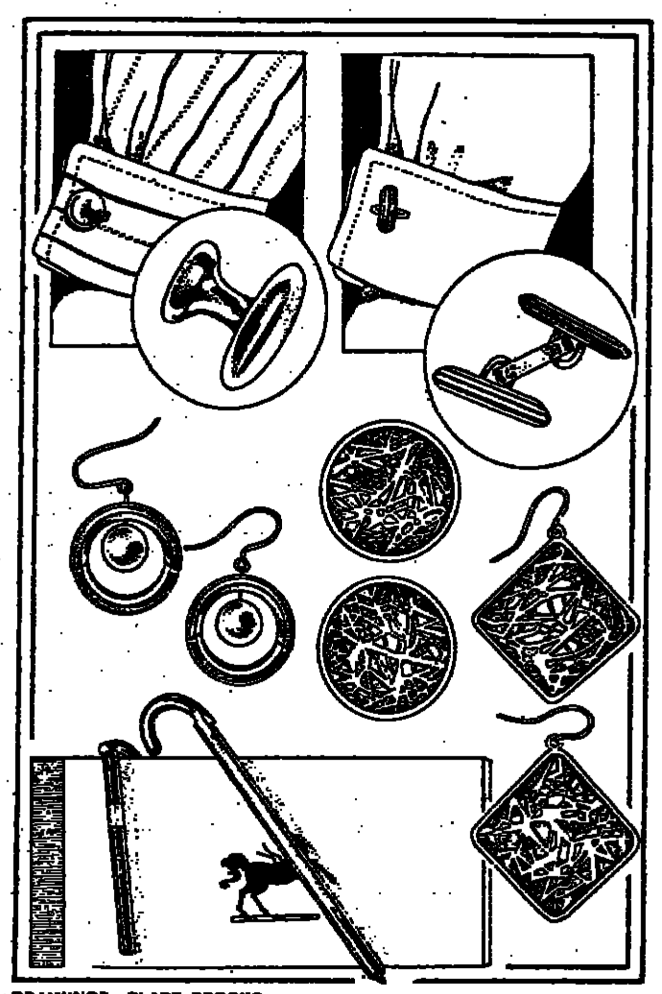
However, anybody who has trouble finding any of his jewellery or anybody who wants to commission a special design can always contact Roger Taylor at his own address, 132, Abbotts Drive, North Wembley, Middlesex (tel. 01-961 4383).

The jewellery illustrated here ranges from simple ideas for presents to precious items, more suitable for special anniversaries.

From the top, left is a beautifully simple pair of brass cufflinks that cost £17 the pair. Next to them, right, is a pair of finely ribbed platinum and 18 carat gold cufflinks, £400.

Next come three pairs of earrings, all in precious materials, so they are not cheap. The circular ones with a small dangling ball are in a mixture of white and red gold and cost £150 the pair. The large spherical ear-rings are bordered in 18-carat gold and the raised central part is of silver, £99. The diagonal ones also have a border of 18 carat gold and a central raised "pillow" effect in silver, £110.

Finally, a small, neat pen with an umbrella-like hook, useful for keeping attached to a cheque-book. There are two sizes (as sketched), the smaller size (3 in long) is £34 in brass, the larger size (5 in long) is £36 in brass. There are more expensive versions (£70 and £90) in silver with a small 9 carat gold band.



DRAWINGS: CLARE BROOKS

MISTAKES FOR SALE

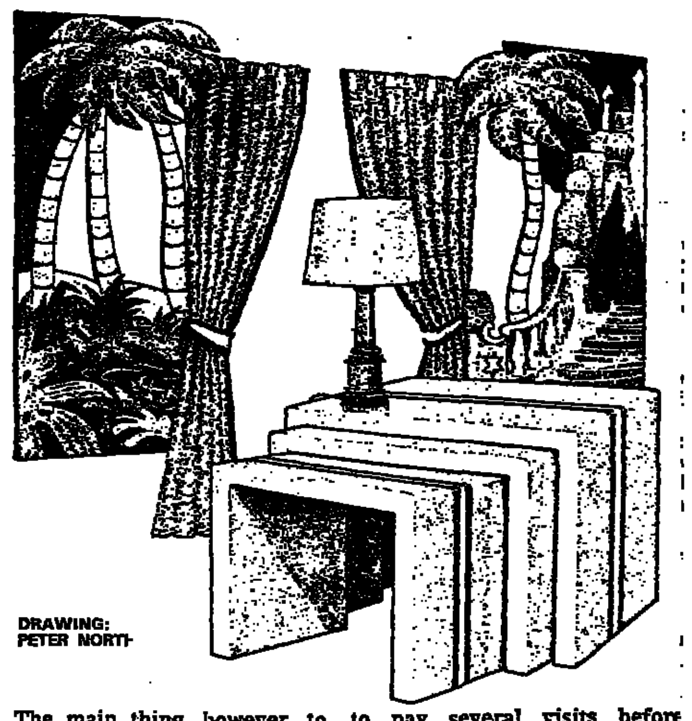
MISTAKES is the splendidly descriptive name of a bold, new enterprise recently opened in that wasteland of warehouses that lies to the West of the Wandsworth Bridge Road and South of the new Kings Road. Three enterprising young women realised that though there were lots of shops busy selling seconds and ends of lines from household manufacturers there didn't seem to be an outlet for the mistakes that even the most professional of interior decorator's can sometimes be responsible for. Everybody makes mistakes, they point out, so come and see ours.

Mistakes is designed to offer for sale all those sofas that turned out to be a few inches out in size or were inadvertently covered in the wrong fabric, the lamps that somehow didn't look quite right in the drawing-room, the blinds that were just too long or too short, the expensively lacquered tables that somebody decided weren't, after all, quite what they wanted.

Because of the very nature of the stock, the merchandise will never be predictable, never come in long production lines. What is on sale will depend very much upon what went wrong in the few weeks' before. A recent visit showed that some of the best bargains were some marvellous rag-rugs—all in shades of red, which were wonderful if they fitted into the kind of room you had and no good at all if they didn't. At £68 for a size 2 metres 40cm by 1 metre 50cm they were good value indeed. There were also lovely fabrics from the more exclusive interior design shops which were being sold at very inexpensive prices.

Shown in the sketch is a selection of some of last week's bargains — the pair of curtains measure 2 metres 75cm long by 2 metres 20cm wide, are in lime green glazed cotton trimmed with pale blue, lined and inter-lined, and cost £75 for the pair, including a matching fabric covered pelmet. Anybody who has had curtains made recently will realise what a good price that is.

The lamp is hand-stippled and is £45, including the matching paper shade, whilst the nest of three beige hand-lacquered tables is £800.



DRAWING: PETER NORTH

The main thing, however, to bear in mind is that designer items are inevitably more or less one-offs so if you're looking for something to fit into an existing room you may have to pay several visits before finding it.

The exact address of Mistakes is 84/86 Carnwath Road, London SW6.

POSTSCRIPT

Anybody who has ever tried to order engraved stationery will have discovered that the smart, fashionable places tend to be very expensive whilst the department stores tend to have very long waiting lists.

John Service, who started his working life in publishing and printing, looked at the services that were on offer and decided that he knew he could do better on both fronts—he could offer first-class engraving at much cheaper prices than the fashionable shops and with much shorter delivery dates than the stores. About a year ago he started his own business, which he calls Lonsdale Engraving, and that is exactly what he does. He only offers to do hand engraved cards, invitations, and stationery (no thermography, no ordinary printing) but he will do it fast and for a price which, when you compare it with what is charged for comparable work elsewhere, seems very reasonable.

He offers a large choice of colours (everything from white through cream and beige to bright green and yellow) and two sorts of paper, Queen's Velvet and a lovely one new to me called Scandinavian Broadlaid.

He reports a surprising renaissance in the use of visiting cards which he seems to be producing in large numbers. There is a splendidly laid out order form for wedding invitations so that the customer fills in the blanks on the form in much the same way as they would be laid out on the invitation itself.

If you can get along to the office at 754 Fulham Road, London SW6 you will be able to have the personal attention and advice of John Service himself (most of the large firms leave you alone with a sample book to select from by yourself). Otherwise you can write to him and do it all by mail order.

As a sample of the prices he charges—100 sheets of quarto size writing paper will cost about £33 (that includes the cost of the die), the next 100 sheets would cost about £4.00

As to the time the order takes—he promises a die in 10 days and the full order in a further 10 days making it 20 days in all. Certain well-known stores offering this service are currently taking between 5 and 6 weeks for the same service.

● As my family are wont to head their Christmas present lists with obtruse editions of long-since, out-of-print books (I remember having particular difficulty with a special edition of Flaubert's letters and one of Mont St Michel et Chartres) I wish I had known before of the existence of the Out of Print Book Service of 17 Fairwater Grove East, Cardiff (Tel. 0222 569488).

It exists specifically, as you may have guessed, to track down books that are out of print. This it does by circulating a list of all the books its clients are looking for throughout the secondhand book trade. It promises nothing but there is, on the other hand, no charge for being included on the list, other than the request for a postage stamp to help towards the costs. As soon as a book is tracked down the customer is sent full details of the price and condition and can then either accept the price quoted or not. A minimum of £5 is charged but the usual price of a hardback is about the same as it would cost if it were published new today.

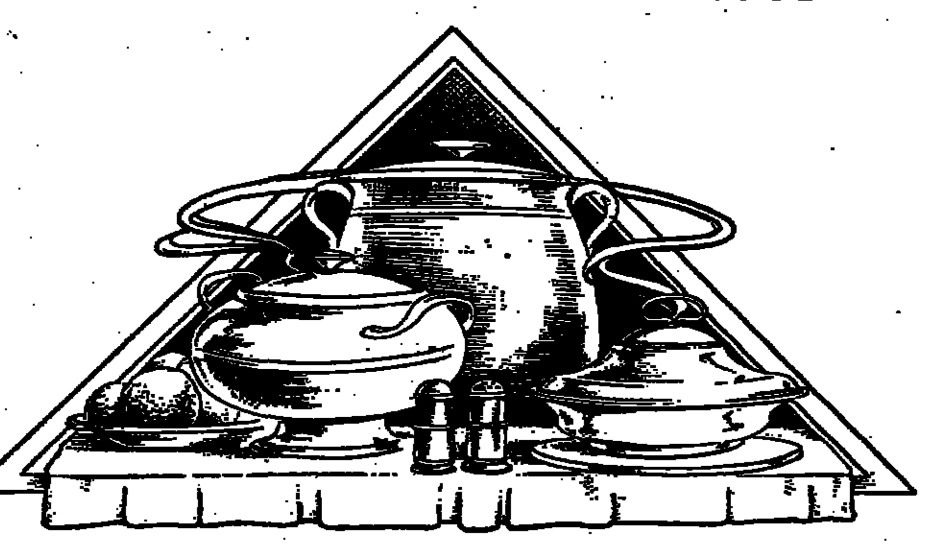
● If you've still done nothing about fireworks and your children (or maybe your friends) are relying on some kind of a show next Saturday it is still just not too late to order your fireworks by mail. Brock's Fireworks must be the oldest company producing fireworks in the country (its letterhead tells me it was established before 1720) and is a past master at making up what it calls Display Cases.

If the term is as new to you as it is to me, you may like to know that a Display Case is a collection of fireworks which has been designed to give a "balanced ground and aerial effect and include special and very spectacular devices. Each pack offers a complete firework display . . . all are suitable for amateur firing and come complete with a Guide Book."

I don't know what you're expecting to spend on fireworks but Display Cases start at £49 for Campfire (this includes 27 different fireworks) and goes on up to £1,799 for what goes by the name of Extravaganza. Anybody who rings up Brock's Fireworks of Sanquhar, Dumfriesshire on 06592 531 can have an order dispatched to them immediately.

COOKERY/JULIE HAMILTON

A MEAL IN A BOWL



I LOVE real winter, deep cold frosty mornings, rosy cheeks on my children coming in from school; always the chance of snow; mugs of steaming hot chocolate all round and clothes draped all over the Aga to dry. All this is yet to come, and when it does my kitchen harbours the smell of freshly baked bread and gently simmering soups. Steak and kidney pudding and crumpet are back on the weekly menu and I fear some of us gain a few pounds.

It is at this time of year that the "soup-as-a-meal" really becomes popular. I think the dividing line between soup and stew (how I dislike that word!) or even casserole is very fine and flexible. For me the difference is that soup is a dish eaten with a spoon only.

The recipes I offer today are for soups that simply would not do as a first course for any meal, especially a dinner party, unless you are certain everyone is ravenous. These soups are meals in themselves, ideal for family suppers.

CHESTNUT SOUP
(Serves 4)

This soup uses chestnuts instead of split peas combined with a knuckle of smoked ham.

I knuckle of smoked ham; 1 lb fresh chestnuts; 1 pint very dry cider; 1½ pints water; 1 large onion; 1 large carrot; 3 sticks of celery; a large bunch of sage and parsley mixed; a little lemon juice to taste; pepper.

Soak the knuckle (unless you are using a cooked ham bone) for at least four hours. Cut the tops off the chestnuts and bake them just long enough to facilitate peeling off both layers of skin. Roughly cut up the onion, carrot and celery and tie them up in a piece of clean muslin. Tie the herbs together with string. Combine the cider and water in a large saucepan, bring to boiling point, then add all the other ingredients, prepared as described, except the lemon juice and pepper.

Simmer for about 1½ to 2 hours very gently. Do not stir, carefully remove the knuckle bone, trying not to let the meat fall off into the soup. Take out the bunch of herbs and muslin bag of vegetables and discard them. Strain the remaining liquid, leaving you with the chestnuts which must now be pushed through a sieve back into the empty pan. Pour the liquid slowly into the chestnut puree, stirring all the time. Judge the quantity of liquid you add to be adequate for achieving the consistency you like for a soup. If there is not enough, add a little milk or more cider. It is a matter of taste whether you add the meat from the knuckle or not. If you do, cut it off the bone and chop it into small chunks, then add it. Adjust the seasoning with lemon juice and plenty of pepper. Serve with loads of very crisp sizzling garlic croutons (cubes of bread fried in olive oil in which a couple of cloves of garlic have been lightly burnt and removed).

MARROW AND DILL SOUP
(Serves 4)

This soup is an extension of the wonderful Hungarian way of serving marrow; the combination of dill and marrow is divine and it is terribly easy to make.

At least 2 smoked Hungarian sausages, more if you like; 2 lbs of marrow or overgrown courgettes; 1 heaped tablespoon dill weed; 1 level tablespoon flour; 1½ pints stock (chicken is best for this); 1 tablespoon lemon juice; 1 teaspoon sugar; 1 teaspoon lard.

Peel and de-seed the marrow, grate it finely and leave it to stand in a colander for a while with a little salt sprinkled over. Chop the sausages into inch lengths and fry them in the lard just long enough for some of the fat in them to run out and flavour the lard. Strain the lard into the pan or casserole you intend to cook the soup in and add the flour, marrow and half the dill, stir well, add the stock and sausages, bring to boiling point then simmer, covered, for approximately 20 minutes, add the rest of the dill, the lemon juice and sugar. Season with salt and pepper if you think necessary.

This soup is also very good when poured over a dish of pasta shells which have been cooked and lightly mixed with a tub of soured cream. Or simply serve it with brown toast.

Now for a substantial Hungarian classic:

TRANSYLVANIAN SOUP

1 lb beef; 1 large onion; 3 oz lard; ½lb potatoes; ½lb French beans; 1 heaped teaspoon salt; 1 tablespoon paprika; about 3½ pints of water; 1 bay leaf; 1 clove garlic; 1 oz flour; 6 oz sour cream.

Cube the beef, not too small, otherwise it begins to disintegrate, slice the onion, melt 2 oz of the lard in a heavy based pan with a lid, add the onions and fry until light golden. Pull pan off the heat and add the paprika and beef. Stir well and return to the heat, add a few tablespoons of water, stir and cover, simmer for about 1 hour or until the meat is tender. Cut the potatoes into small cubes and slice the beans into manageable lengths for a spoon, add them to the meat along with the bay leaf, salt and about 3½ pints of water (more if you like).

Bring to boiling point, then simmer gently for 20 minutes uncovered. Make a roux with the remaining 1 oz lard and the flour, adding the finely chopped garlic. Combine the roux with the soup and simmer on for a further 20 minutes. Add the sour cream just before serving.

Now to the other country whose food I love, Italy.

BRODETTO DI PESCE
(Serves 4)

2 lbs of mixed seafood (mussels, red mullet, available frozen now, turbot, dabs, small sole, clams, giant prawns if you like, anything will do); 1 onion; 2 red peppers; 1 hot red chilli; 5 fl oz oil; 3 fl oz red wine vinegar; 1 14-oz can of tomatoes, which you have pushed through a mouli to de-seed; 1 dessert spoon anchovy essence; salt, black pepper.

If you have mussels that are still uncooked and in their shells prepare them as follows. Scrub them well and leave them in a bowl under the cold tap running fast for 15 minutes at least. Remove the beards. Place in a very dry oven in a roasting tin for a few minutes until the shells have opened. Discard any that do not. When cool, separate the mussels from their shells. Wash, trim, bone and cut all the fish into spoon-manageable size pieces.

Cut the onion up fairly coarsely and sauté it in the oil. Cut the red peppers into four pieces each, removing the seeds of course. Slit open the chilli and remove the seeds but keep the chilli in one piece. Add them both to the onion, sauté together until pepper is soft. Remove the chilli and discard it. Take the red peppers out and pass them through the finest disc of a mouli, then put them back. Add the tomatoes (which you have also passed through a mouli), anchovy essence and vinegar, bring to the boil and add all the fish except the mussels. Cover and cook briskly for about 15 minutes, then add the mussels, adjust seasoning with salt and pepper and cook for a further five minutes.

Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Saturday October 29 1983

Presidential silly season

The extraordinary events of the past week have left the markets agape, but otherwise inactive. One headline early in the week tried to suggest that the U.S. bond market had been shaken by the situation in Grenada—a brave try, but the fact is that the U.S. money supply figures of the previous Friday were quite adequate cause for a little disillusion; John of Ockham would never have passed that headline (the man, you will remember, who laid it down that one cause per effect was an adequate ration).

In truth, the markets have been watching a crisis which seems to have no economic or financial implications, and we have lived with the economic crisis so long that the appearance of a purely political event is as odd as a unicorn. If it is not important in itself, it must be a portent.

Obsession

Well, it is a portent of a kind; but like other events which fail to move markets, it can be seen with the benefit of hindsight, that great aid to analysis, that it has already been discounted. President Reagan's Grenadan adventure has reinforced doubts about his judgment, but they existed already.

It is even possible that the storm over this venture, which at least had the urgent blessing of some other very small island states, may make the President a little more wary in his approach to much more important sources of potential trouble, such as Nicaragua.

It is also just possible that we will learn that had we shown a little friendly concern for Grenada in the past few years, it might not have been so reliant on the Cubans or so provocative to the President. It is likelier, unhappily, that neither of these helpful lessons will be drawn, but at least it has been a bad week for those who imagine that striking ideological attitudes is a substitute for thought.

The markets, in short, have been right to behave as if the crisis has not changed anything very significant; and they have had enough attention to spare from the Caribbean diversion to react to two other events which were not discounted, and have moved prices: the renewed strength of the dollar, and the sharp revival of retail sales in the UK. These developments affront the conventional wisdom in quite another way; according to the pundits, they could not happen.

The dollar has been defying the forecasters, including ourselves, for well over a year by now. The models argue that with a real appreciation which has produced a 30 per cent overvaluation, and a deteriorating current account, the dollar has nowhere to go but down. Unfortunately, there is a trap in market forecasts of this kind: what everybody knows must already be discounted in the price. What requires explaining is not why the dollar is going to fall, but why it has not already fallen. Something which has been left out of the analysis is stronger than the conventional belief.

Explanations

This point has not of course escaped the more sophisticated analysts, and there are several rival explanations on offer. One is simply that President Reagan is himself responsible; his behaviour makes everyone so jumpy that only the U.S. seems a really safe haven. This is one way of explaining the capital inflows which are undoubtedly contributing to the strength of the dollar. It is not a very convincing explanation of the flow, however; the weaknesss of the dollar up to 1979 was surely not expressing a market view that President Carter has made the whole world safe for investors.

There are two more plausible explanations, which both rest on evidence which cannot in principle be known. One, offered by Morgan Guaranty Trust, a respected authority on international flows, points to the huge and growing gap in the international balance of payments statistics. The world's deficits add up this year to some $100bn more than the world's surpluses, which must be the greatest failure known to history for double-entry book-keeping.

Morgan Guaranty simply suggest that since the missing $100bn surplus must belong to someone, it is reasonable to credit a good slice of it to the world's biggest economy. In this way it is possible, without stretching plausibility, to make the U.S. deficit disappear altogether—a matter of unrecorded invisibles, dividends on funk capital not remitted, undervaluation of exports for tax purposes and the like. This is plausible, because the appearance of the dollar's inexplicable strength coincides almost perfectly with the appearance of this huge book-keeping error. A few years ago, when the residual error was a mere $6bn, the dollar was weak.

Guesswork

What can be guessed here cannot be proved; nor can Salomon Brothers' rival notion that it is the collapse of Eurodollar lending which has made the dollar scarce internationally. We only know that some quite strong force is holding it up: gold investors, beware. Some equally unexplained force seems to be holding up the British retail boom, and again we can only guess why. What we can learn, yet again, is that official statistics don't explain everything.

Mr Reagan's extraordinary week

By Reginald Dale, U.S. Editor, in Washington

IN 48 hours this week, the U.S. armed forces suffered their highest casualties on a single day since the Korean war and launched the biggest military assault since Vietnam. The staggering pace of events has left Americans variously tearful, anxious, proud and confused.

For President Ronald Reagan, it has been an extraordinary seven days—the worst yet in the White House according to his wife Nancy. It began badly enough last Saturday afternoon when a disorientated pick-up truck driver crashed into the private club where he was playing golf in Georgia and took several hostages. Hours later he was awakened in the early Sunday morning darkness to be told the shattering news from Beirut.

By noon he was back at the White House at an emergency meeting of his top national security advisors and by Monday he was expressing his personal anguish to the TV cameras: "I don't know anything that is worse in the job I have than having to make the calls that I have made" to bereaved marine families, he said.

By then, although few knew it, he had already taken the decision in principle to intervene in Grenada, risking a storm of domestic and international disapproval—and more American casualties. At 6 pm on Monday he secretly signed the invasion order and went on national television again early on Tuesday to make the dramatic announcement that U.S. troops had landed.

At 8 pm on Thursday he was back on the screen to justify his actions in the face of a global furore, the force of which had clearly taken him aback. In the Middle East terrorists would not weaken America's will to defend the West's and its own interests. In Grenada he appeared to suggest only a rapid pre-emptive strike had eliminated the threat of a disastrous replay of the Iranian hostage drama and nipped another major Cuban crisis in the bud.

Mr Reagan has not been alone in his emotional turmoil. For many Americans the sorrow and anger over the bombing of the marines in Beirut, swung wildly to exhilaration as American forces showed their fighting fettle stamping out a Marxist "hornets nest" in the Caribbean —no matter how one sided the contest.

For others it was less easy to disentangle the two rapidly succeeding events, both of which stirred bitter memories of Vietnam and forebodings of wider war. And Vietnam, as one commentator perceptively pointed out, did not just mean Vietnam the country but the horrors of instant, televised carnage in American living rooms.

It was not a point lost on the Administration. Learning, they said, from British censorship in the Falklands campaign, the American authorities blanked out blow by blow coverage of the Grenada fighting by refusing to let reporters or cameramen operate on the island. By doing so, the White House provoked a prodigious row with the nation's powerful media establishment from which the dust will take a long time to settle. As the days passed, the TV sets that largely govern the mood of the nation poured out a bewildering kaleidoscope of grieving marine families, exultant medical students coming home from Grenada, solemn tributes to the fallen, old clips of military film, and colourful maps of the Caribbean.

U.S. troops on patrol in Grenada. Right: President Reagan explaining on television why he sent them in

Many people confessed that they hardly knew what to think any more. A number of things, however, were clear. Mr Reagan had, simultaneously, shown open readiness to project American power around the globe, brought his concept of western leadership into considerably sharper focus and given his foreign and military policies a hefty kick in the direction of becoming major issues in next year's U.S. elections.

Little of what Mr Reagan has said this week has been particularly new. But he has spelt it out with unusual precision. "We are a nation with global responsibilities," he said on Thursday night. "We are not somewhere else in the world protecting someone else's interests. We are there protecting our own."

That was primarily intended to explain to American voters why gallant young soldiers may have to die in obscure, far-off countries. It was also an unmistakeable message, whether deliberate or not, to America's allies. His responsibility to protect U.S. national interests, as he sees them, is overriding. It is not subordinate to the wishes or opinions of other governments whether they be British or French, allied or hostile. There was not the slightest possibility that Mrs Thatcher or anyone else could have stopped him invading Grenada once he had decided it was right to do so.

Grenada and Lebanon are not, in Mr Reagan's eyes, isolated or unique problems. On the contrary he said on Thursday, they are closely related. "Not only has Moscow persisted in encouraging violence in both countries but it provides direct support through a network of surrogates and terrorists."

In Grenada, the U.S.'s enemies were "brutal leftist thugs." In Lebanon they are "international criminals and thugs."

Mr Reagan's counsellors—and Mr Robert McFarlane his new National Security Advisor is no exception—see the struggle against Soviet communism in roughly the following global terms.

Soviet achievement of rough strategic power parity with the U.S. ten years ago did not make nuclear war more likely but raised Moscow's willingness to take risks around the world—at first in areas of less than supreme U.S. interests such as Angola, Ethiopia, South Yemen, Indochina and Afghanistan, Moscow is now moving on to probe for American weakness in increasingly vital areas—that is, the Middle East and the Caribbean/Central America.

The U.S. must not be allowed to slip into strategic inferiority and nuclear weapons must be modernised in both the U.S. and Europe. But rather than concentrate on preparations for an outmoded set piece battle on the plains of Northern Europe, U.S. deterrence has to become more flexible and more mobile. The priority for U.S. forces must now be a new readiness to cope with Moscow-inspired insurgencies, liberation movements, and local conflicts in the Third World rather than to confront Warsaw Pact tank divisions or Soviet military power directly.

Hence, among other things, the massive new emphasis that Mr Reagan is placing on rebuilding the U.S. Navy, currently the most overstretched of all the U.S. services. Hence, too, why in American eyes the invasion of Grenada should not be interpreted as meaning that the U.S. is likely to be more trigger happy with nuclear missiles in Europe. On the contrary it underlines the point that the struggle is being waged elsewhere.

Geopolitically Mr Reagan is more pre-occupied with Third World dominoes. In his view, if Lebanon is taken over by "forces hostile to the West" the entire Middle East including Saudi Arabia and the Gulf will be at risk. If Grenada had fallen to Cuba, all the other islands in the area and Central America itself would have been threatened.

Grenada and Lebanon are not, in Mr Reagan's eyes, isolated or unique problems

But Grenada and Lebanon are manifestly not the same. In Lebanon, Mr Reagan's options are exceedingly narrow. To withdraw the marines (in the absence of a miraculous political settlement) would be to acknowledge the collapse of his entire Middle East policy and the victory of the "hostile forces" that he has said he is determined to prevent. He cannot substantially increase the size of the U.S. contingent if only because Congress would not let him and he is not going to go to war with Syria if he can help it (that, he warned this week, could lead to World War Three).

With Israel now on the sidelines, and the powerful Russian-backed Syrian army dominating the North of Lebanon, it is hard to see how he can avoid a major increase in Syrian and therefore Soviet, power and influence in the region.

Grenada on the other hand was militarily relatively easy—or "doable" in Washington jargon—and raises a number of quite different questions. Among them, are whether the invasion will actually serve its purpose of stemming Marxism in the region, whether Mr Reagan sees it as a precedent for the treatment of other unfriendly countries in the region (or at least a warning to them) and how it will affect him politically at home.

On Grenada itself it still remains to be seen how easy it will be to restore the sort of democracy that Mr Reagan would like. There is as yet little clear indication of what the majority of Grenadians themselves actually think about the invasion.

In most Caribbean, Central and Latin American countries, the invasion is likely to exacerbate traditional anti-American feelings — as statements from Governments have already shown. It is also doubtful that it will serve as much of an additional warning to, for example, the Nicaraguan Sandinistas who are already convinced that the U.S. is looking for an excuse to make war against them more openly. If anything, the first indications from Managua were that the Sandinistas thought that they might have gained a breathing space. Leaders there said they found it hardly credible that the U.S. would take on Nicaragua at the same time as Grenada.

An invasion of Nicaragua or the despatch of U.S. forces to aid the embattled U.S.-backed Goverment of El Salvador would be an act of a totally different military and political order—a real "new Vietnam." And while, many opponents of Mr Reagan's Central American policies believe that they will inevitably lead to direct U.S. military intervention in the end, that is something that Mr Reagan is trying to avoid. His hope is still to contain Marxism on the mainland by putting military pressure on Managua through covertly-backed insurgence and the show rather than the exercise of U.S. power.

Here, too, Mr Reagan is constrained both by congressional and public opinion and by his own desire to win re-election if he fulfils widespread expectation and runs for a second term.

So far a majority of Americans, if sketchy preliminary soundings are to be believed, appear to have supported the Grenada intervention. But the support was much more for saving American citizens from danger than for overthrowing a Marxist regime. The corollary of that is that the general public would be even less keen on overthrowing a Marxist regime if it involved considerable loss of American life.

A number of Democratic opponents are prepared to give him the benefit of the doubt on the actual merits of the invasion until the media is fully unshackled and more facts are known about the Cuban threat and whether or not the Americans were really in danger. Only then are they likely to decide how far to make it an election issue.

There is, however, a strong disposition among Democrats to believe that Mr Reagan failed to explore other options largely because he did not want to, and used force as a first rather than a last resort. Mr Reagan's critics are seriously concerned he may have wantonly sacrificed the precious American propaganda advantage of legitimacy in overt international behaviour.

The argument of Mr George Shultz, the State Secretary, that intervention could be justified by the "atmosphere of violent uncertainty" on the island could apply to any number of countries around the world—not least of course to Afghanistan.

It is the Right in the U.S. that has been the most overjoyed by the invasion—Mr Reagan's "finest hous" as one arch conservative immediately dubbed it. It was final proof for the Conservatives that Mr Reagan had not, after all, gone soft as they had feared.

It came as a climax to a series of words and deeds by Mr Reagan that have shocked American moderates in recent days. A bitter debate is being conducted in the country over whether to honour Dr Martin Luther King with a public holiday. Against this background, President Reagan publicly refused to disavow right-wing allegations that Dr King was a Communist—for which he later apologised to Dr King's widow. The President has also peremptorily sacked three liberal members of his human rights commission and publicly asserted the unfettered right of governments to pursue their interests around the world by covert activity.

Up to ten days ago, Mr Reagan had given the impression that he was staking out a more centrist image, at least in Republican terms, for election year. The Ronald Reagan that the country has seen so much of in what seems to have been an awfully long week, is almost certainly more true to his political instincts.

Letters to the Editor

Perquisites for bank employees

From Mr J. M. Graham.

Sir,—I feel that Michael Dixon's article in the Jobs Column (October 20) on the salaries and benefits enjoyed by senior City banking staff should not be allowed to pass without comment. His seeming obsession with and continual sniping at the supposedly rich rewards available in City banking each time a regular salary survey is published demonstrates a complete lack of understanding of the functions of the City of London and the key role it plays in the business life of this country.

It appears that Mr Dixon does not know that many of the people holding senior posts in the City have been well educated, highly trained in the professions or in financial skills and have had considerable experience which enables them to play a prominent role in the provision of a whole range of financial services vital to our country's balance of payments and the health of its manufacturing industry.

It should be pointed out to the reader the highly specialised nature of most of the job functions surveyed by Jonathan Wren which are not in almost all cases comparable with supposedly equivalent positions in industry. By their very nature these functions do not exist in industry.

We are in the era of progressive taxation of income and the fortune "dealing in money" attributed to the late Henry Ford cannot be accumulated out of an after tax salary.

If banks and some employers in industry see fit to provide their staff at whatever level with a range of benefits they should be congratulated and praised for showing such an interest in the general welfare of their staff.

There are fields of endeavour other than banking in which high earnings are commonplace which are arguably of less importance to our economic well-being.

J. M. Graham.
69, Cat Hill,
East Barnet, Hertfordshire.

From Mr Brian Yates

Sir,—Your issue of October 20 contained three seemingly unconnected items. David Lascelles's feature on banking commented that banks were being squeezed by rising costs. Michael Dixon's column indicated the substantial salaries paid to bank employees, not to mention the perks such as four times salary loans at 3 per cent.

However, on the front page you reported that government cleaning contractors were being forced to cut wages to come in to line with pay rates in the commercial sector.

As a manager in industry I can draw a conclusion from these three items: I hope the senior managers in our banks can too.

Brian Yates.
Rutland House,
11 Park Road,
Winchester, Hampshire.

Pensions for early leavers

From Mr David Mills

Sir,—I was interested in your recent item by Michael Beenstock (October 5) concerning occupational pensions, and the problems of the early leaver.

The debate has now continued for some time regarding possible solutions. However, some of Mr Beenstock's comments seen to be entirely unrealistic.

For example, and this would be my main point of contention, he mentions that the employer contribution should be consolidated into wages and the individual should be free to determine his own contributions. He then goes on to say that a pension is inherently the concern of the prospective pensioner rather than his employer, which in my view totally ignores the fact that at the present moment the employed are making massive subsidies towards the retired who have historically failed in this very area.

The reality is that many employees left to their own devices would rather spend now than think or plan towards the future, and therefore without some compulsion the current problem of the retired being so heavily subsidised would continue.

I think this point is brought home extremely well in Point 3, where he suggests that contributions should be personalised in the same way as car insurance is personalised. Perhaps he has failed to recognise that the difference between pensions and car insurance is that car insurance is compulsory and even then is ignored by many road users.

The crux of the whole argument is that at the present moment the level of funding for pensions is pitifully inadequate. As long as Group Scheme members do not understand their pension scheme, a group scheme appears to represent quite good value for money and indeed does represent good value for money for a company if one accepts the argument that the company can provide apparently attractive benefits for their employees at a minimum cost.

I make the point apparently attractive benefits because only a very small number of people will ever benefit from a group scheme to the extent to which it is implied they will benefit, and these of course are the people who stay in the group scheme for a full 40 years and retire when they are supposed to.

For all other categories, group schemes generally represent bad value for money and these categories are:

(1) the individual who is only in the scheme for a few years;
(2) the person who retires early;
(3) often the person who makes voluntary contributions;
(4) the person who finds himself in a wound-up scheme;
(5) the person who reaches retirement in a scheme which has been underfunded.

There are some of Mr Beenstock's points which I agree with, but I think it is a reflection of Mr Beenstock's academic status that some of his solutions are such unrealistic ones.

David Mills.
12, Beechmount Road, Lenzie,
Kirkintilloch, Strathclyde.

Encouraging corporate loyalty

From Mr E. Whiting

Sir,—The debate on pensions in your columns so far has often concentrated on financial aspects of the "early leaver," but there are many more fundamental issues.

Is not the pension scheme a valuable means of cultivating corporate loyalty and providing a sense of community? Most companies keep in touch with their pensioners and even refer to them as part of the family. They are not the same as former employees.

The unitised portable pension would destroy the partnership philosophy of employees and management that many companies have built up with the aid of good pension schemes. In Germany the pension scheme is a clear symbol of partnership, all being in it together, with pension provisions invested in the company.

Do we really want to encourage job mobility for its own sake? It is expensive in that people must spend time and money in job searching, in job selection and, often most costly, in learning the new job in the new environment. Both quality and quantity suffer from too many new employees. It is surely more than a coincidence that Japan, with its long-serving staffs, is proving more than a match for the U.S., with its tradition of high job mobility. The cost of staff turnover increases with every advance of technology.

Younger people are not usually interested in pensions—they need the money now. In my experience pensions do not assume any importance until about 45, when the emphasis may change from maximum salary to maximum pension. At that time people should take into account the pension cost of job changing when appraising the net benefits of a new job.

There is the state scheme, which has no inflation or "early leaver" problems. Up to one and-a-half times earnings everyone is protected either by the scheme or by the guaranteed minimum pension. Do all employees need to be protected, however much they earn?

Edwin Whiting.
Manchester Business School,
University of Manchester,
Booth Street West, Manchester.

Who invented Monopoly?

From Mr Henry Law

Sir,—In Men and Matters (October 20) "Observer" has unwittingly fallen for the myth that the game of Monopoly was invented by Charles Darrow in the 1930s. What Darrow actually did was to commercialise a game that evolved in the 1890s as a way of demonstrating the teachings of the American economist Henry George. It was known as the Landlords' Game, and early versions of the board already included familiar features such as the four railway stations halfway along each side: the Community Chest and Chance cards seem to have been Darrow's idea.

Henry George himself is of special interest at the moment because his theories are beginning to surface once again, not least, in the correspondence columns of the FT! (October 18 and 19). George identified land speculation as a primary cause of economic recession, a hypothesis that has been supported by recent research. The remedy advocated was for governments to raise a major part of their revenue by a tax on the rental value of land, with a corresponding reduction in all other taxes to permit commerce to flourish without hindrance.

In view of current problems with both the economy and the tax system, and the failure of economists of all schools of thought to provide effective solutions, the ideas of Henry George merit serious examination.

Henry Law.
8 Woodhouse Road,
Hove, Sussex.

The FT as a lining for bean trenches

From Mrs Ros Brawn.

Sir,—The excellence of the Financial Times as the leading newspaper for businessmen and women, and executives, is well known.

I wonder if your readers are also aware of the FT's relevance to the grower of runner beans? Our crop this year was remarkable, thanks to the thick layer of your eminent publication which formed a moisture-retaining trench in which the beans grew.

Ros Brawn.
3, Great Gardens Road,
Hornchurch, Essex.

A royal reward for a Millais

BY JANET MARSH

WITH THE Tate Gallery's major exhibition of Pre-Raphaelite painting due in May next year, one of the rare germinal works of the Brotherhood still in private hands, Millais' "The Proscribed Royalist" comes under the hammer next month. Christies, which is to offer it in a sale of 19th century art on November 22, anticipates that it may well establish a new price record for a Victorian painting.

The picture was painted in late 1852 and early 1853, and was exhibited in the Royal Academy of that year. At 24, Millais was at the pinnacle of his career. The critic of The Illustrated London News shrewdly summed up his rapid rise and rapid public acceptance: "Millais, the Pre-Raphaelite; the 'pretender' Millais that was; the 'usurper' Millais that is; the 'legitimate' Millais that perhaps (such virtue in that little word) may be; and who has certainly a larger crowd of admirers in his little corner of the Middle Room than all the Academicians put together command . . . a crowd who, having once taken up their position opposite the object of their homage, are not inclined very soon to move on, but stand there gaping, and staring and commenting on the wondrous effects . . ."

For the first time in its history the Academy had to bring in the police, to keep the crowds of Millais enthusiasts moving. The main object of their attention was not in fact "The Proscribed Royalist," but his other Academy entry, "The Order of Release," a painting of a wounded Highlander released from prison and reunited with his wife and child. The superior attraction of this picture lay perhaps in its stronger sentiment; but there was no doubt about the dazzling technique on the other. The Art Journal found it "an example of marvellous finish. The trunk of the tree, the living foliage and the dead leaves, the herbage and weeds are all wrought with singular constancy of purpose. The works now exhibited by this artist are incomparably superior to all that have gone before them . . . Still the greens in the picture are still inharmoniously crude."

As in his other historical painting of the early fifties, Millais employed the piquant trick of introducing an element of danger, uncertainty and dread into an ostensibly romantic subject. A handsome young royalist is concealed in the trunk of a massive oak. As the young puritan woman slips him a morsel of bread, she peers anxiously around for fear of being detected. "The cavalier," noted The Illustrated London News, "devours—not the bread, but the lady's fair hand, with kisses."

We have rare insights into the making of the picture from a series of charming letters which Millais wrote to Emily Hodgkinson, his cousin's wife. It was commissioned by Lewis Pocock, and like "The Huguenots" the inspiration for it seems to have been operatic. By chance the year of the foundation of the Pre-Raphaelite Brotherhood, 1848, had coincided with a brilliant operatic season in London, with Jenny Lind and Mario in Bellini's *I Puritani* at Her Majesty's, and Viardot and Lablanche in Meyebeer's *Les Huguenots* at the Italian Opera House. Millais admitted that Meyerbeer had been an inspiration of the earlier picture; and the subject of *I Puritani* is that of "The Proscribed Royalist." It is clear that Millais and his favourite brother William moved in operatic circles, since Mario himself had advised William to take up opera. William settled to be a painter, even though he lacked John's brilliant technique.

To another correspondent, a Mrs Combe, who lent him lace for the period costumes in his pictures, Millais wrote that this was "a subject I am mad to commence." He and William took lodgings at the George Inn at Bromley, where Millais found the background for the picture. The great old oak still stands at Coney Hall Hill and to this day is known as "the Millais Oak." They arrived in Bromley in June, with seasonally stormy weather. Despite his professional precocity, Millais retained a boyish playfulness. When the weather was too bad to go out painting, the brothers played cup and ball or skittles. They also painted a new sign for the landlord of the George after the old one was blown down in a storm.

It was typical of the pains Millais took over his effects that he set up the dress to be worn by the model on a lay figure in the woods, in order to get the effect of the sunlight right. He found in fact that the sunlight made the colour and texture of the garment somewhat too rich for the character; but he was not prepared to compromise his own observation in this respect.

The figures were painted in the artist's studio in Gower Street. The girl (whom contemporary critics thought not at all good looking or well-complexioned) was a Miss Ryan who had served as a model for "The Huguenots." The original of the handsome young cavalier was his contemporary, the painter Arthur Hughes.

Hughes himself adds a vivid and pleasant touch to the picture of the young artist at the peak of his youthful brilliance. He was impressed by the extreme order and cleanliness of the studio, and was struck that Millais' high-spirited fun was dissipated by the deadly seriousness of work. "William used to work in the front room, while John painted me in the back one. There was but a thin wall between the two, and we could hear William all the time . . . singing by snatches, whistling, calling to John to know the time repeatedly, coaxingly, then imploringly, noisily, but getting no reply, John working hard and serious as grim death the while. But at last his patience gave out and he stopped work, and for the space of a minute he levelled such language at William as up to that time I had not heard used by one brother to another. But he did not tell him the time!"

"The prescribed Royalist 1651" by Millais, signed and dated 1853

Tokyo changes

THE JAPANESE are different. Even the title of their biggest and best tennis tournament—"1983 Seiko Super Tennis"—hangs unfinished to jangle the grammatical nerve. I suppose it is because certain oriental words and phrases simply do not translate easily into English.

Certainly the "Sapporo Draft beer," which I'm drinking as I pen these thoughts (it comes in a bottle by the way) seems far too good to waste on American conscripts.

But there's nothing wrong with their organisation or their efficiency as countless examples from commercial life confirm.

The way they transform the impressive Yoyogi national stadium, scene of the swimming events at the 1964 Olympic Games, into a two-court tennis arena is impressive indeed. After four days one of the courts is removed, and the other removed to centre stage, with commendable speed, and extra temporary seating installed for the semi-finals and final.

This year's $375,000 Seiko Super Tennis has attracted record crowds and seems certain to produce tomorrow a repeat of the U.S. Open final between Jimmy Connors and Ivan Lendl. They have towered above a strong field this week and it is difficult to imagine Connors being troubled in today's semi-final by young Scott Davis, a 21-year-old Californian who earlier this month won his first tournament as a professional after leaving Stanford University early. Nor should Lendl be detained long by 22-year-old Brad Gilbert, another impressive Californian who eliminated Vitas Gerulaitis in the previous round to show us why he has risen to 77 on the computer rankings.

This tournament has contributed greatly to the rapid growth in the game in Japan both as a spectator and participant sport over the past decade. Bjorn Borg who had already induced a state of tennis fever with his appearance at a WCT event in 1974, won the first two Seiko tournaments in 1978 and 1979; Connors was successful in 1980 and John McEnroe won last year.

These tournaments have been presented by the Japan Professional Tennis Association whose competition with the official body, the Japan Lawn Tennis Association, has further stimulated growth. Thanks also to a healthy trade surplus there have been plenty of commercial organisations ready to support tournaments and special events that they believe enhance their company's image. Today there are 10 such events which together provide $1.75m in pri[...] money. Regrettably too ma[...] of them have fields of eig[...] players or less.

However, the impetus of the glamorous presentations h[...] prodded the JLTA to vigoro[...] action so that there are now [...] domestic professional tourn[...]ments with total prize mon[...] of some $250,000.

Paradoxically this activity h[...] not led to any spectacular i[...]provement in home standard[...] Most of the better players pref[...] to take the relatively easy pic[...]ings at home than risk early lo[...] and financial hardship on t[...] international circuit. Germa[...] faces the same problem.

In fact the only Japane[...] successes internationally ha[...] been the 1975 women's doubl[...] title at Wimbledon for Kasu[...] Sawamatsu and her America[...] Japanese partner Anne Ki[...]mura and the men's doubl[...] title in America in 1955 f[...] Kamo and Miyagi.

I remember the latter ye[...] well. In those days the doubl[...] was played apart from t[...] singles at the Longwood Crick[...] Club in Boston on grass cour[...] That year hurricane Con[...] deposited millions of gallo[...] of water on the site to turn t[...] whole area into a lake. I spe[...] most of the time boating arou[...] the courts in a Coca Cola tu[...] When the waters had abat[...] most of the class pairs h[...] departed early to prepare f[...] the singles at Forest Hills a[...] the delightful Japanese stay[...] on to win on soggy grass agai[...] Gerry Moss and Bill Quillia[...] two lowly ranked Americans.

However, more important f[...] the present the club playe[...] have taken to the courts e[...]thusiastically. From a base [...] approximately 600,000 ten[...] players in 1972 there are n[...] estimated to be some 4m p[...]formers—just less than 4 p[...]cent of the total population.

Most are housewives a[...] schoolchildren who take part [...] clinics with 20-30 on court [...] once going through the ba[...] routines of stroke producti[...] —which is just as well becau[...] there are only some 12,000 te[...]nis courts in Japan.

This works out at 33½ playe[...] per court—exactly twice t[...] ratio that applies at British a[...] American clubs. I said th[...] were different in Japan.

Everyone here is full of ta[...] about the visit last week [...] members of the All Engla[...] Club committee to celebrate t[...] Wimbledon Exhibition wh[...] was opened on a flying visit [...] the chairman-elect, Buzz [...] Hadingham, two weeks ago. [...] together the marriage of ancie[...] and modern is providing fu[...]ther impetus for further growt[...] It is all very exciting.

HIGH STREET WINES

Edmund Penning-Rowsell

WAITROSE HAS a list of over 200 wines, most of which are sold in each of their 73 supermarkets. It has a reputation for seeking out interesting wines, although at least some in the cheaper range appear to add little by way of variety to an already perfectly adequate selection. There is also the problem common to all such chains of finding good ready-to-drink claret and burgundy at prices that are apparently put to shame by the cheaper wines on the shelf. Among those wines that stood out for me at their annual tasting of over 50 wines were the following.

Red Wine

Cante-Cigale 1982 (£2.15) A well-coloured Midi wine with a nose that came out of the glass and a flavour that made one feel you had a mouthful of wine.

Saint-Chinian (£1.99) A good-value, fruity but fairly light appellation contrôlée Languedoc-Roussillon wine with an attractive nutty flavour.

Ch. Picque-Caillou 1973 (£4.55) A red Graves from rignac, the Bordeaux commune now almost taken over by the airport, this light wine, indubitably brown in colour is yet a claret of real style with a distinctive bouquet.

Rioja Goikoa 1976 (£2.45) This somewhat oddly-named Rioja is in fact the second wine of Domecq's estate there, with fair colour, typical oaky nose and flavour.

Cabernet-Sauvignon, Montana, New Zealand 1979 (£2.95) From the good Marlborough wine district, this has the blackcurrant nose, fruit and good balance associated with claret. Good value for quality.

Château-Musar 1977 (£4.25) This curiosity from the Lebanon has in recent years achieved a considerable reputation. The '77 has a rather acid nose, but a big, full-bodied flavour with a rather attractive richness. Worth serving blind to knowledgeable guests.

White Wine

Vine de Pays Côtes de Gascogne 1982 (£2.15) Made from the Colombard grape associated with southern France, it has a nice nose, is slightly "lively," with some flavour and character not too common in such wines.

Riesling d'Alsace 1981 (£3.45) One must expect to pay more for good quality Alsace wine, but this has a typical Riesling nose, and a clean crisp flavour of some quality.

Houghton Supreme 1981 (£3.65) This West Australian wine made from the Loire varieties of Chenin-Blanc and Muscadet has not much bouquet but compensates with clean, fruity flavour, demonstrating the development of Australian wines in recent years.

Clos du Château, Bourgogne, 1979 (£6.95) For those prepared to pay the price to secure Chardonnay wine from its home region, this is an attractive, oaky wine with real white-burgundy flavour.

Château Guiteronde, Barsac, 1980 (£3.95) Also not in the Bordeaux "bible," this delicious wine, with slight colour, flowery bouquet and good balance of fruit and acidity, must surely be the second wine of a distinguished Barsac. A real find.

Four centuries of new technology

COINS

JAMES MACKAY

COINS HAVE been produced by mechanical processes for more than four centuries, but the traditional method, of holding a lump of metal between two dies and striking it with a hammer, died hard.

Hand hammering was not abandoned in England till 1662, a good milled coinage being one of the benefits to arise out of the Restoration. Milled coins, however, were produced well over a century earlier, in the reign of Queen Elizabeth, but this experiment casts an interesting light on the attitude of management and workforce alike to mechanical innovation.

Since the discovery of vast silver deposits in Bohemia at the beginning of the 16th century, and the refinement of the ore which was coined as Joachimsthalers, the large pieces eventually known as dollars, German metallurgists and engineers had led the world in the development of machinery which could produce ingots of uniform fineness and subsequently transform these bars into sheets suitable for cutting into coin blanks.

Germany has continued as a leader in this field and today coinage strip and blanks are supplied by VDM (Vereinigte-Deutsche Metallwerke A.G.) of Altena to many of the world's mints. VDM are world-renowned for the development of fraud-proof coins and tokens for use in vending machines.

Four centuries ago it was a very different picture. The identity of the genius who devised mechanical coining equipment is not known for certain, though he is thought to have been Marx Schwab of Augsburg.

In 1550 the French ambassador, Charles de Marillac contacted the inventor in the greatest of secrecy and subsequently a deputation from the French government visited him to witness his coining machine at work.

The deputation comprised the ambassador's brother Guillaume de Marillac and François Guilhem master of the Lyons mint. The mint-master raised numerous objections and clearly did not welcome equipment which could produce better coins, faster and with much less man-power than the hammered method. In the end Guilhem was sent home and the Marillac brothers concluded the deal themselves.

Aubin Olivier, a French engineer, was sent to Augsburg to learn the techniques and bring the machinery back to Paris.

Since the machinery was operated by waterpower the mint was located on the bank of the Seine at the tip of the Ile du Palais. It became known as the Moulin des Etuves or Mill of the Baths (from the palace baths nearby) and thereafter its products were known as milled coins.

Nowadays this term is applied by laymen to coins with a grained or serrated edge but this is incorrect and it should properly be applied to all coins which are mechanically produced.

Elizabeth I milled coinage half pound

Guillaume de Marillac soon ran into difficulties, notably bitter opposition from the hammermen whose vociferous protests eventually induced the Cour des Monnaies to restrict the milled process to medals and presentation pieces.

Many of the staff at the Moulin de Etuves were Huguenots, so opposition to them was intermingled with the prevailing politico-religious animosities. One of these technicians fled from Paris in 1561 and crossed the Channel.

Variously known as Eloye Mestrelle or Eloi Mestrell, he presented himself to the Privy Council in London and offered to build coinage machinery at the Tower.

The Mint was then engaged in a major recoinage and Mestrell's offer came at an opportune moment. He was installed in the new Upper Houses at the Tower, given an annual salary of £25 and a free hand to produce gold and silver coins using the new technology.

Before the year was out Mestrell had produced sixpences of a hitherto undheard of quality — perfectly round, sharply struck, with consistently clear portraiture and, above all, even lettering. During 1562 he was very active, turning out gold half-pounds, crown and half-crowns, and silver from the shilling down to the tiny three-farthings.

In spite of the beauty and technical excellence of his coins, which even won the approval of the Queen herself, Mestrell fared no better than de Marillac in Paris. The warden of the Mint, Sir Richard Martin, was hostile and prejudiced from the outset, declaring that "neither the said engine nor any workmanship to be wrought thereby will be the Queen's Majesty's profit."

The hammermen, stung into unprecedented activity by this interloper, quadrupled their efforts in an attempt to show that the old method was just as fast. The Privy Council gave way, and Mestrell was dismissed in 1572.

Apart from the three farthings, which is extremely rare, Mestrell's silver coins are reasonably plentiful to this day and range from £50 for an average sixpence to £400 for a shilling or half-groat in very fine condition.

The gold coins are much scarcer, especially the half-crown which is in the price range of £2,000-£4,000.

Tim Dickson on golf's new rules

Out of the rough?

RULES PERHAPS were made to be broken—but not the Rules of Golf.

Picture a typical club golfer—as the late commentator Henry Longhurst endearingly used to call us—striding down the 18th fairway all square with one to play. As he reaches for his trusty eight iron his checked trousered opponent opens up a little blue book, draws attention to some particularly arcane rule and with a apologetic but almost certainly insincere expression promptly claims the match (as indeed he is entitled to do).

No comfort that the infringement was unwitting and in no way intended to steal an unfair advantage; that the bounder in question has a reputation in the parish for this sort of loutish behaviour; or that he is the sort of chap known happily to pour drink down his victim's throat in the clubhouse afterwards to celebrate the achievement (if not the manner) of his victory.

The Rules of Golf as laid down by the Royal and Ancient Golf Club of St Andrew's are golf's equivalent of the Bible—sacred truths which followers of this sporting religion ignore at their peril and copies of which shrewd players keep close at hand while locked in even friendly combat. Some sages indeed would go so far as to say that a good knowledge of the rules is as vital as any of the secret weapons—grandfather's hickory shafted putter or the latest computer-designed three-wood from California, for instance, often found in an individual's golfing armoury.

The problem is that except for those with a Wisden-like attention to detail the rules of golf have never been easy to absorb. The game's unpredictability—witness the 180 degree turn performed by Nick Faldo's ball in the recent Suntory Matchplay championships when a spectator threw it back on to the green—gives rise to many unusual situations which besides the more conventional hazards such as "casual water," "ground under repair" or GUR and "holes made by burrowing animals, reptiles and birds" the game's administrators have to take into account.

In view of these complexities golfers the world over will be glad to hear that the Royal and Ancient Golf Club of St Andrew's, and the United States Golf Association have ju[...] completed a major reorganis[...]tion and a substantial rewritin[...] of the holy Book.

The exercise has been carrie[...] out largely "to achieve som[...] degree of simplification" an[...] the new version will take effe[...] in the U.S. on January 1 ne[...] year and throughout the rest [...] the world from April 1 1984. [...] will run to 80 pages, again[...] the present 95.

The last time the rules wer[...] so substantially revised was i[...] 1951 when the inaugural qua[...]rennial rule conference wa[...] held in an effort to achiev[...] uniformity, except in regard t[...] the specification of the bal[...] Before 1982 the rules of th[...] R and A and the USGA differe[...] in a number of respects.

Many will be sad to hear tha[...] as a result of the changes th[...] last vestige of the "stymie [...] (the art of blocking one's opp[...]nent's path to the hole with you[...] own ball) will soon disappea[...] (Floreat the Cambridge "St[...]mies, the University's secon[...] golf team which keeps the nam[...] alive). Under the existin[...] rules a player in singles matc[...] play can require his opponen[...] to leave his ball near the hol[...] if he thinks it will help him[...] Such a tactic is designed t[...] facilitate the "in off," thoug[...] many red faced golfers have[...] with costly results, accidentall[...] knocked their opponent's bal[...] into the hole instead. Unde[...] the new rules, "an opponent o[...] fellow competitor will be per[...]mitted to lift his ball if he con[...]siders that it might hel[...] another player."

Peppery majors of a punctua[...] disposition may baulk at [...] modest relaxation in the rule[...] as to time of starting. Althoug[...] the penalty of disqualificatio[...] has been retained, a note ha[...] been added to provide that [...] committee may, in the condi[...]tions of a competition, modify the penalty for being up to five minutes late to loss of the first hole to be played in match play or two strokes in stroke play.

Sticklers for the rules, meanwhile, will enjoy the new section "Order of Play." Under existing rules a player can ask his opponent to replay a stroke played out of turn except that in the case of a three or four ball match, where the stroke has been played through the green or in a bunker. This exception has now been eliminated.

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Savoy forecasts 'significant growth'

FOR THE current year the directors of the Savoy Hotel group are looking for a "significant improvement" in profit over the £1.82m earned in 1982.

Reporting for the first half of this year they state that total receipts have advanced from £17.46m to £19.78m and the profit before tax has shot up by £1.29m to £1.59m Since the end of June the encouraging trend of business has continued, with July, August and September producing record profits.

All four of the group's London hotels contributed to the increase in the halftime profit.

The first half profit was arrived at after charging general maintenance £1.86m (£1.92m), depreciation and amortisation £367,000 (£344,000), and interest payable £94,000 (£200,000). Dividends and interest came to £57,000 (£137,000). Tax requires £40,000 (nil), minorities take £10,000 (credit £9,000), and there is this time an extraordinary credit of £290,000.

The latter represents net proceeds of the sale of the remainder of the lease of the Savoy Adelphi garage which was due to expire in 1988. Consequent upon the sale, the company has retained sufficient car parking space for the Savoy for another 25 years.

At December 31 1982 Trusthouse Forte was shown to own 65.01 per cent of the Savoy's capital and 40.22 per cent of its voting rights. THF owned 66.25 per cent of the A shares and 12.63 per cent of the B.

● comment

The Americans are back in force, paying top rates for the top London hotels. The Savoy Group, which includes the Connaught, Claridge's and the Berkeley as well as the Savoy, are getting their fair share. The third quarter has produced record profits and October has seen occupancy rates of over 80 per cent. So the company should be on the way to pre-tax profits of around £4m for the year. It seems that the attempted takeover by Trusthouse Forte was enough to concentrate the minds of management with the result that productivity has improved noticeably. Hopefully, these efficiences will be maintained when the tourists desert these shores, as surely they will in this cyclical business. Although an increasing contribution from restaurants, banqueting and the conference business should enable The Savoy to smooth out some of the peaks and troughs of future years. Meanwhile the shares which closed up 10p to 290p, still stand on a stratospheric prospective p/e in the 40s.

Hillsdown acquiring FMC for £4.9m cash

By David Dodwell

MR DAVID TOMPSON'S privately-owned Hillsdown Holdings yesterday ended almost a year of speculation over the future of FMC, Britain's largest slaughterhouse group, by announcing a 49p a share cash offer which values FMC at £4.9m.

Hillsdown, which shot to prominence in April last year when it bought Buxted Poultry from the Imperial Group for a figure which eventually settled at £39.2m, emerged as a potential bidder for FMC in August. This lapsed when the National Farmers' Union tried to mount a £10m refinancing plan aimed at keeping the slaughterhouse group in farmers' hands.

When farmers put forward a desultory £1m, the refinancing plans were dropped, and for the past two months, a buyer has been urgently sought.

Various suitors have been named over that time, but until recently it seemed most likely that a management buy-out being organised by Candovers would be arranged. This buy-out is understood to have been close to completion, but is unlikely now to be pursued.

Pressure for a new purchaser for FMC came not so much from the company itself as from its major shareholder, the National Farmers' Union Development Trust (NFUDT).

The NFUDT has owned 75 per cent of FMC's shares since 1977, when it came in to fend off a bid from Thomas Borthwick. At the time it borowed £2.8m from Barclays Bank to boost its stake, expecting that dividend income would pay for interest charges on the loan.

Trading difficulties in the recent past have led FMC to drop its dividends for the past two years, and as a result, the NFUDT's debts have been rising rapidly.

The NFUDT undertook yesterday to accept the Hillsdown offer. The £3.68m they will get for their 75 per cent stake is expected to cover their debts with a few pounds to spare—as long as the deal is completed by the end of November.

For FMC, the search for a purchaser has been urgent because its principal shareholder has been unable to raise the funds it needs for investment. In a highly competitive sector, this was jeopardising FMC's long term future.

In 1982, Hillsdown had a turnover of £400m, which generated a pre-tax profit of £7m. This compares with a £100m turnover in 1981, on which it earned profits of £4.3m.

FMC shares were unchanged at 48p yesterday.

Eagle Star tips the scales but balance left with OFT

BY ERIC SHORT

THE battleground for the bitterly contested bid by Allianz Verischerung for Eagle Star Holdings has moved temporarily from the market place to the confines of the Office of Fair Trading, pending the publication of Eagle's official defence document due later next week.

The issue being put to Sir Gordon Borrie, Director General of Fair Trading, is whether the overriding question is national interest, with shareholders' interests being subordinate for the time being.

Early next week, Allianz's advisers Morgan Grenfell, in a slim eight-10 page document to follow its earlier oral evidence, will be trying to counter the weighty arguments put forward earlier this week by Eagle Star and its advisers Hill Samuel in a 67-page document.

In this, Eagle Star is arguing that the bid should be referred to the Monopolies and Mergers Commission in the national interest.

Eagle Star also points out that no UK insurance company could obtain control of a West German insurance company without coming under detailed scrutiny by the West German authorities.

Allianz's submission to the OFT aims to refute both these arguments. It will point out that UK companies not only have the freedom of establishment in West Germany but have actually done so. The UK insurance companies have a significant share of the German insurance market, whereas West Germany's share of the UK insurance market is insignificant.

The document will cite examples where UK insurance companies have controlling interests or minority participation in West German insurance companies.

This will include the majority holding of Guardian Royal Exchange Assurance in the Albingia Group and Sun Alliance's majority holding in Securitas Gilde. In all, around 20 general and 15 life insurance companies in West Germany are foreign controlled.

On the subject of the national interest, Allianz will reaffirm that a link-up with Eagle Star will bring that company into the first rank in international insurance markets, a position it does hold on its own. This link-up will result in an increased flow of world insurance business to the London market.

Finally, Allianz will warn the OFT that if protectionist barriers are put up, then the London insurance market could well continue its decline relative to other world insurance markets.

See Lex

Logica strikes at 220p after pulling in £170m

By Dominic Lawson

The offer for sale by tender of 10.4m shares in the UK's largest independent software company, Logica, attracted about £170m. The financial advisers, Close Brothers, have pitched the striking price at 220p per share; this is 57 per cent above the minimum tender price of 140p, and capitalises the company at £77m.

Logical will raise £8.5m new money from the issue, after expenses. The offer was oversubscribed 7.6 times above the minimum tender price. About 28,000 application forms were received in respect of some 80m shares. There will be 8,300 allotments of shares under the offer which was covered 2.9 times at or above the striking price.

As a result of applications from the staff of Logica, more than half the employees are now shareholders, and together with the directors, will own more than 40 per cent of the equity.

Mr Peter Winkworth, corporate finance director of Close Brothers, said at the striking price Logica was on a fully taxed historic multiple of 38, and he was hoping for a percentage premium "in single figures" when dealings begin next Thursday.

All valid applications at or above the striking price of 220p will receive an allocation at that price. Shares will be allotted to applicants, other than staff, on the following basis: Applications for 100-500 shares—100 per cent of those applied for, applications for 600-1,500 shares—500; applications for 2,000 shares and above—around 29.8 per cent of the application.

Renounceable letters of acceptance will be posted to successful applicants on Wednesday.

See Lex

Hopkinsons ahead by £453,000

AN INCREASE from £1.46m to £1.91m in pre-tax profits is reported by Hopkinsons Holdings for the half-year to July 29 1983. Turnover of this Huddersfield-based manufacturer of boiler mountings and valves, was just over £1m higher at £26.67m.

Mr F. R. Bentley, the chairman, says the results confirm the statement he made in the 1983 annual report and at the AGM that the group, overall, was trading profitably.

He adds that worldwide demand from the industries served by Hopkinsons continued at a low level, and for the work available, severe price competition was again encountered. However, it is indicative of the efforts which have been made that sales margins have increased compared with the corresponding period last year and were slightly in excess of last year as a whole.

Order books remain generally satisfactory and higher profits for the year as a whole seem attainable.

Group trading profits for the half year improved from £1.4m to £1.83m. The pre-tax figure was after interest receivable of £42,000 (£53,000) and investment and other income totalling £43,000 (£6,000). After tax up from £590,000 to £695,000, profits attributable to Hopkinsons were £1.22m compared with £870,000.

The interim dividend is unchanged at 1.5p and this absorbs £196,000. A one-for-four scrip issue is proposed. Last year's total was 5.65p from pre-tax profits of £3.5m.

● comment

Distinctly unexciting earnings from the rest of the engineering sector make Hopkinsons' 31 per cent advance in pre-tax profits look like a notable achievement, especially since it comes with a widening in margins to more than 7 per cent of turnover. The market was impressed and sent the shares up 5p to 104p, where the historic yield is 7.9 per cent. Hopkinsons will not say exactly where the earnings improvement came from. However, the first—albeit unquantified—profits came in from the Torness and Heysham power station contracts and demand for valves has been stronger from the gas industry. The group continues to chip away at overheads, having reduced staff numbers by 25 per cent to around 3,000 over the past two years. Meanwhile, the jump in investment income implies a considerable improvement in liquidity. The bulk of the profits usually come in the current half, so Hopkinsons could make more than £4m pre-tax this year. That puts the shares on a prospective multiple of only just over 5, assuming a 36 per cent tax charge.

Burgess expects return to profit

A CONFIDENT forecast of a "return to profits" accompanies the announcement of a full year loss by Burgess Product (Holdings).

Following its interim deficit of £66,000 the group incurred further losses in the second half and finished the year £237,000 in the red at the pre-tax level, compared with a £801,000 profit.

The dividend total for the 12 months to July 30 1983 is being cut from 3.5p to 1.5 with a two-thirds reduction in the final payment to 1p net.

During the year there was a downturn in all divisions. Profits from precision electrical and electronic components fell by £280,000 to £422,000, the loss from consumer products increased from £242,000 to £448,000, and acoustical and other engineering products suffered a £552,000 turnround to losses of £211,000.

Overall group turnover for the year was little changed at £22.7m against £22.65m and trading profits slumped to £431,000 compared with £1.24m.

The charge for exceptional items includes the write-down of tools superseded by a new range, stemming from rationalisation of the range of consumer products.

Action has been taken to halt losses incurred, over several years, on industrial acoustic activities by closing a factory of a subsidiary in South Shields.

The accounts contain an allowance for the costs involved as an extraordinary charge. This year extraordinary debits totalled £300,000 (nil).

● comment

The new boom at Burgess has clearly decided to sweep all the unpleasant news into this one year, the major feature being closure costs of the South Shields factory. The result was that dealers clipped nearly 20 per cent off the share price to 47p where the yield is less than 5 per cent. While these exceptional costs may be a one-off feature, there are still uncertainties surrounding the trading outlook. In the vehicle exhaust systems market, for example, Burgess has had to sacrifice margin in order to hold on to its market share against aggressive competitors like TI. A similar story applies to the switches businesses where demand seems to have shifted to the lower-margin items in the range. An asset backing of around 150p per share cuts no ice with a market clearly more concerned with the immediate trading problems.

Panel applies pressure on Anglo

BY RAY MAUGHAN

THE TAKEOVER PANEL yesterday insisted that Anglo Nordic Holdings, the industrial holding company, clarify its intentions with regard to a bid for Butterfield-Harvey.

Butterfield has recently outlined a deal whereby Technology Incorporated which, subject to holders approval at an extraordinary meeting on November 11, could eventually give Technology up to 47.9 per cent of the equity and the right to assume majority control thereafter.

Anglo Nordic has already indicated its interest in Butterfield, however, and at the insistence of the Panel, it announced that "it is still considering its position and will make a further announcement as soon as possible."

That announcement was still not entirely satisfactory to Butterfield and Samuel Montagu, its financial advisors, which went back to the Panel yesterday afternoon seeking further details from Anglo Nordic. But the Panel has not granted Butterfield's request that Anglo be subject to a specific period within which to bid or to withdraw its interest unreservedly.

Technology met a group of investment analysts in the City this week to explain the benefits of a deal it is putting together with Shelvoke and Drewry Butterfield's subsidiary in the refuse collection market. Technology had negotiated with other UK manufacturers before alighting on the Shelvoke deal.

Butterfield itself had discussed a tie up with Hestair, which makes the Dennis range of municipal vehicles, 16 months ago before both sides received disappointingly cautious outline guidance from the Office of Fair Trading and dropped the negotiations.

Technology will, through a £2m convertible loan stock and further options, be taking a dominant stake in a group at an average price of about 42p per share.

Butterfield's assets are understood to be worth some 62p per share and its balance sheet, after losses and provisions at Shelvoke, is now said to have been stabilised. Net worth of some £12.7m supports overdrafts of £3.5m, a £2m medium term loan and £1m of unsecured loan stock.

R. Worcester holders stand firm

THE RESILIENCE of Royal Worcester's share price in the past three weeks has blunted the contested £20m equity and loan stock offer by Crystalate Holdings. As a result at the first closing date yesterday, the bidder had received acceptances from holders of just 0.6 per cent of the china and electronics group's equity.

Crystalate had acquired about 7.8 per cent of Worcester in the market by the time the offer was first unveiled on September 13, but no shares have been acquired or agreed to be acquired since that date.

The bid is now extended until November 11 without, as yet, any indication that the terms will be improved or that the offer will be supplemented by a cash alternative. Taking Crystalate at 153p, down 1p yesterday, the offer currently values each Worcester share at just under 282p per share against the market price of 303p, up 8p last night.

However, the Crystalate directors have attempted to undo the impression given by what are described as the deliberate ommissions implied by Worcester's defence by putting on "public record" a statement that "far from viewing the group's future with any apprehension, they are as confident today of their company's future growth as they have been at any time in recent years."

Sir Joseph Causton prospects excellent

THE RESULTS of Sir Joseph Causton & Sons (printer, publisher and packager) for the six months ended July 31 1983 are good, and prospects for the full year "are excellent," says the chairman, Mr Christopher Bland, in his interim report.

There is a substantial improvement over the six months to June 30 1982, with turnover up from £7.28m to £13.28m and profit before tax showing an increase of £256,000 to £400,000. The previous accounting period covered the 16 months to January 31 1983 and the six month comparison used is the nearest period for which accounts are available.

Mr Bland says that after deducting losses attributable to companies that have since been sold, all the group's five divisions were profitable. The performance of the recent acquisitions, Headway and Citiforms, wer particularly encouraging.

After tax £99,000 (£46,000), minorities £19,000 (nil) and extraordinary debits £144,000 (£191,000) there is an attributable profit of £138,000 (loss £93,000). Earnings are 1.7p (0.9p) and the interim dividend is again 0.7836p net.

The tax charge has been reduced by losses brought forward, by the excess of capital allowances over depreciation, and by stock appreciation relief.

On August 5 last the company effectively disposed of its interests in Sir Joseph Causton & Sons (Eastleigh) and Causton Repro to HunterPrint Group for a nominal consideration. A £600,000 provision made in the accounts of those companies will be shown as an extraordinary item in the group accounts for the full year.

A pro-forma statement at July 31 shows that net tangible assets were £5.02m, against £5.68m six months earlier, equal to 29.9p (35.7p) per share.

The 1983-84 profit profiile is expected to be (per cent)—publishing 40; book and stationery retailing 5; packaging 18; business forms and envelopes 15; book and commercial printing 18; textiles 4.

Mr C. R. Pearce resigned as a director on September 27 and has been paid £30,000 as compensation in termination of his service agreement.

The chairman holds 6 per cent of the Causton capital and Fleet Holdings is interested in 21.8 per cent.

Asda chief optimistic

Asda continued to perform well, with existing stores increasing their sales volumes for some months, Mr Noel Stockdale, chairman of Associated Dairies Group, told shareholders at the annual meeting.

The new southern stores were now trading well in excess of budget. But Allied Carpet Stores and Wades Departmental Stores were adversely affected by extremely hot weather during the summer, which held sales below budget. Both were now trading well, and profits at the half year would be well ahead of those obtained in 1982, Mr Stockdale said.

The company's success was much more dependant on organic growth than acquisition and the directors were determined to maintain this policy.

"We are now gearing up, particularly in management training, in order that we can at some future date open in excess of the six to eight superstores per annum which has been our norm, and we will also accelerate the expansion of our other trading divisions," he said.

All of these activities were unlikely to stretch the group's resources.

A. Fisher purchase from Ocean Transport

BY DAVID DODWELL

Albert Fisher, the fruit and vegetable wholesaling group headed by Mr Tony Millar, has acquired the Long Group from Ocean Transport & Trading in a deal worth just over £1.4m.

News of this latest deal comes just four days after Fisher shareholders gave approval for the acquisition of F. J. Need, the Crewe-based cheese trading and packaging company, also for £1.4m.

The Long Group is made up of two operating companies — Henry Long Transport, and Northside Truck Centre, which have been Ocean subsidiaries since 1974.

Henry Long is a specialist food transport, warehousing and distribution company which works principally for H. J. Heinz and Boots the chemist.

Northside Truck holds the Mercedes-Benz commercial vehicle franchise for part of West Yorkshire, and accounts for 20 per cent of Long's earnings.

In the 12 months to December 31, 1982, Long showed profits before tax of £275,000, on a turnover of £7.5m. During the first seven months of 1983, it made audited pre-tax profits of £226,000, with turnover at £5m.

Albert Fisher will pay for Long in two phases. An initial consideration of £951,668 will be paid on completion, and be satisfied by the allotment to Ocean of 951,668 convertible preference shares. The balance of £457,686 will be paid in 12 months time, either in cash or in shares.

Following the deal announced yesterday, Fisher's original fruit and vegetable business is expected to account for just 54 per cent of turnover. Cheese sales will account for 24 per cent, with distribution accounting for the remaining 22 per cent.

Mr Millar announced yesterday that pre-tax profits for the year to August 25, 1983 were £327,000, compared with a loss last year of £29,000. Turnover has grown to £15m from £6.7m over the same period.

He said the acquisition of Long would provide the group with a stronger financial base and a more extensive distribution network. Fisher shares slipped by 1p to end the day at 54p.

Results due next week

VOLUMES at Marks & Spencer are expected to show significant improvements across the board when the group announces its results for the first six months to October 2, on Wednesday. The consumer spending upturn which last year was largely confined to durables has widened to include food and clothing. Meanwhile, the hot summer allowed M&S to avoid the heavy markdowns on clothing — accounting for more than half of UK sales — which contributed to last year's slippage in group margins. This time, the growth in profits should outstrip that of sales, while margins will be further supported by the management's continued cost control drive. Pre-tax profits look set to rise from £93.3m to perhaps £110m for the period, while the dividend could increase from 1.85p to 2p net.

Reed International's business publishing division has been expanding rapidly through acquisition and organic growth. Last year it was the biggest single earnings contributor, accounting for a third of group profits. This proportion is expected to grow further thanks to improved trading conditions and the first full contributions from the new medical journals and exhibition organising companies, when the group announces its results for the six months to October 3 on Tuesday. Consumer publishing, while benefiting from the elimination of Odhams' losses, is not expected to have done so well. But Mirror Group Newspapers — which is scheduled to be floated-off in the early part of 1984 — could achieve a measurable profits gain on the back of cheaper newsprint and the absence of the industrial disputes which cost £1.9m in 1982. Most analysts are going for £15m pre-tax in the second quarter, which will bring the half year's profits to £35.3m, against £26.1m in the comparable period. The interim dividend has been held at 4p net for some years, but there may be scope for an increase to 4.5p.

The main interest in J. Hepworth's preliminary announcement next Wednesday will centre on the size of the first full-year contribution by the Next chain of womenswear shops, the name given to the stylishly refurbished Kendall outlets bought in 1981. Against the background of more buoyant retail spending, Next could turn in £2m a result which may spur the somewhat sluggish menswear side of the business to follow suit by accelerating its own modernisation programme. The results will also benefit from the sale of the loss-making Turner shoe chain. Analysts are generally expecting the company to turn in at least £8m (£3.9m) pre-tax with the dividend increase limited by the refurbishment costs.

Next Thursday's third quarter figures from Hoover will be of historic significance. Later in the month shareholders are expected formally to accept a £20m cash offer from the U.S. parent for the outstanding shares not already held, so the figures should be the last that the UK group will issue as an independent company. The buy-out comes at a time when the troubled UK operation is recovering quite strongly from years of losses. Although the company turned in a £740,000 deficit in the first quarter, this was wiped out in the second quarter, giving overall first half profits of £1m pre-tax. No doubt next week's results will reflect a continuing recovery and Hoover could make £5m for the year, against a loss of £6.8m last time.

Other results due next week include interim figures from Flight Refuelling and full year figures from British Car Auctions, both to be announced on Tuesday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
A and G Security Electronics	Thursday	0.75	1.0	0.825
Allied London Properties	Wednesday	0.275	1.275	0.3
Berry Trust	Thursday	—	1.8	—
British Car Auctions	Tuesday	1.75	2.5	2.0
J. Hepworth and Son	Wednesday	0.79	3.21	1.59
Harman Smith	Wednesday	0.2	0.3	0.2
Intervision Video	Thursday	—	—	—
Majedie Investments	Tuesday	—	3.0	—
Martonair International	Tuesday	1.95	6.05	1.95
Newman-Tonks	Monday	1.65	3.43	1.65
Peters Stores	Wednesday	—	0.5	1.0
Pineapple Dance Studios	Wednesday	—	—	—
Safeguard Industrial Investments	Wednesday	1.8	4.1	2.5
Stothert and Pitt	Monday	—	—	—
Strong and Fisher	Monday	1.67	—	—
Tiger Oats and National Milling	Wednesday	†60.0	67.0	50.0
Tyzack, W.	Friday	—	—	—
Wemyss Investment Trust	Thursday	7.0	13.0	7.0
Wolseley-Hughes	Wednesday	4.84	10.29	5.08
INTERIM DIVIDENDS				
Airflow Streamlines	Thursday	0.25	0.5	
Arbuthnot Sterling Fund	Monday	—	0.5‡	
Boot, Henry and Son	Thursday	3.0	11.5	

Company	Announcement due	Dividend (p)* Last year Int	Final	This year Int.
Clarke, Clement	Tuesday	1.64286	3.35714	
Computer and Systems Engineering	Thursday	1.575	2.3625	
Ellis and Goldstein (Hldgs.)	Wednesday	0.85	1.3	
El Oro Mining and Exploration	Friday	—	2.8	
Exploration Co.	Friday	—	1.4	
Flemming Far Eastern Investment Tst.	Thursday	1.5	2.0	
Flight Refuelling (Hldgs.)	Tuesday	0.74667	1.26667	
Fortnum and Mason	Friday	3.5	19.72	
Gieves Group	Monday	0.75	1.5	
A. Goldberg and Sons	Friday	1.294	3.956	
Greig Shipping	Friday	2.5	5.0	
Hoover	Thursday	—	—	
Imperial Cold Storage and Supply	Tuesday	‡12.0	8.0	
Marks and Spencer	Wednesday	1.85	3.25	
Milletts Leisure Shops	Thursday	2.95	4.0	
Northern Securities Trust	Thursday	2.0	3.0	
Portsmouth and Sunderland Newspprs.	Thursday	1.0	2.75	
Reed International	Tuesday	4.0	10.0	
Scott and Robertson	Monday	—	0.75	
Tate of Leeds	Monday	—	1.25	
TR City of London Trust	Wednesday	0.625	0.625	
Viking Resources Trust	Monday	0.4	0.5	
INTERIM FIGURES				
Abaco Investments	Thursday			
Prestwich Parker	Tuesday			

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Per share gross. ‡ In cents.

Tricentrol deal expands interests in North Sea

Tricentrol, the UK oil company, yesterday confirmed that it has expanded its North Sea interests in a £14m deal with Norcen Energy Resources, of Canada.

Initially Tricentrol had hoped to fund the acquisition by a share placing through its brokers de Zoete & Bevan. Those plans were put on ice when the share price dropped on Thursday.

However, the company has not abandoned thoughts of a placing altogether and the statement leaves the door open for de Zoete to tap the equity market. Mr James Longcroft, chairman and chief executive, said last night that he "will look at it again next week". Meantime the consideration is being covered by the company's own lines of credit.

The acquisition gives Tricentrol 20 per cent of block 47/14A in the Amethyst gas field, where development is likely to start in 1985. Tricentrol already has a 50 per cent stake in the adjacent block.

The deal is intended to take advantage of the Government's new tax benefits for investment in new offshore developments.

According to de Zoete and Bevan, the deal could strengthen Tricentrol's assets by between £23.1m and £36.7m, depending on the success of the drilling programme in the areas it has now entered.

Tricentrol also acquires 7.35 per cent of block 20/02 of the Ettrick oilfield, where development could also begin in 1985. Future drilling there could raise recoverable reserves to 159m barrels.

Accountants called in at Thames Investment

BY RAY MAUGHAN

THE BOARD of Thames Investment & Securities has asked Touche Ross, a leading accountancy firm, to examine the current financial position of the property company and to report to the directors on the future trading prospects.

Thames is to hold an extraordinary meeting on Monday, at which it will put to shareholders a resolution concerning its withdrawal from a development in Miami. The scheme has been taken over by Mr Tom Whyte and Thames' chairman and founder, Mr Joseph Benjamin, has recently resigned from the board in order to manage the project.

Mr Benjamin was due to receive, subject to shareholders' approval at the meeting, a termination payment of £50,000. However, he has informed the Thames board that in view of the group's losses of £4.9m after all charges in the year ended May 31 last, he "no longer wishes the directors to recommend a severance payment" and has accordingly requested the appropriate resolution to be withdrawn from the agenda.

AWS Delta

Dutch company Esmil BV has acquired AWS Delta, the industrial effluent and waste water treatment concern based in High Wycombe, Bucks. Esmil is a wholly owned subsidiary of Hoogovens Group B.V. of Amsterdam.

ROUND-UP

EXTEL GROUP has acquired a 75 per cent shareholding in MGE, a company specialising in the provision of software packages and computer systems.

The initial purchase consideration of £200,000 is being satisfied by the issue of 55,352 Extel ordinary shares of 25p each, for which listing is being sought. A deferred cash consideration of £50,000 may be payable if the average profits for the two years to March 31 1986 exceed a predefined level.

The audited balance sheet of MGE and its subsidiary companies at March 31 1983 showed net assets of £62,473.

The wide-ranging interests of Extel include sports news services, advertising and public relations, publishing, printing, financial and business information, computing and communications services.

* * *

In a further circular to shareholders, the board of Tecalemit continues to advise shareholders to reject the offer from Siebe Gorman.

The view is shared by Tecalemit's largest shareholder, Britannic Assurance.

* * *

H. and J. Quick has been notified by Angling Securities that on October 26 they gave notice to exercise an option to purchase a further 200,000 ordinary in the company from Lincoln St Motors (Birmingham). Together with associates Angling now holds a total of 700,000 ordinary (13.16 per cent).

* * *

Following offers by Kennedy Brookes for Wheeler's Restaurants acceptances were received in respect of 1.31m ordinary shares (87.01 per cent) by 3.30 pm on October 23.

The cash alternative was accepted for 1.11m ordinary shares (74.03 per cent) and this offer was therefore closed.

The offers were made unconditional and the share offer remains open till 3.30 pm on November 9.

Mrs C. A. Emmanuel, E. W. Macadie and Mrs B. V. M. Walsh have resigned from Wheeler's board.

* * *

United Newspapers has completed the purchase of Gralla Publications of New York, publisher of 15 national business and trade magazines, for $44m (£29m).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Burgess Products	1	—	3	1.5	3.5
Sir Joseph Causton ...int	0.78	Dec. 15	0.78	—	2.84§
Clayton Son int.	nil	—	0.93	—	6
Cole Group int.	1.5	Jan. 5	1	—	3
G.T. Global Recovery int.	0.75	—	0.75	—	3.5
Hopkinsons int.	1.5	Dec. 9	1.5	—	5.65
S. & P. Linked int.	9.43	Dec. 1	8.78	—	16.27
Trident Computer	1‡	Jan. 6	1	1.5	1.5
TR Indust. & Genl. int.	1.1	—	1.1	—	3.15
Ulster TV	4.3	—	3.5	8	6.8
Websters Group int.	0.9	Dec. 15	0.8	—	2.7

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 16 months.

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حكز من الأصل

A cautionary tale of two cities

ANY VISITOR to Paris in the last 15 years knows that the antiquated, if atmospheric, public transport once associated with that city is a thing of the past. Ultra-modern equipment and the construction of new metro and rapid transit lines, have given Paris what is probably the most comfortable and efficient service in western Europe and for the passenger, at least, one of the cheapest.

London has not been so fortunate. Against a background of a declining population and increasing car ownership, fares on London Transport have seesawed, services have deteriorated and the number of fare-paying passengers has fallen by 30 per cent in the last 10 years.

In the current year, car and motorcycle journeys accounted for 64 per cent of all journeys in Greater London against 54 per cent 10 years ago, while journeys on the Underground and by bus account for 28 per cent against 39 per cent in 1973.

Against this dismal background, the British Government is planning a major shake-up in the organisation of London Transport. A Bill will be introduced in Parliament shortly which will take control of London's buses and tubes away from the Greater London Council and vest it in a new holding company, London Regional Transport (LRT).

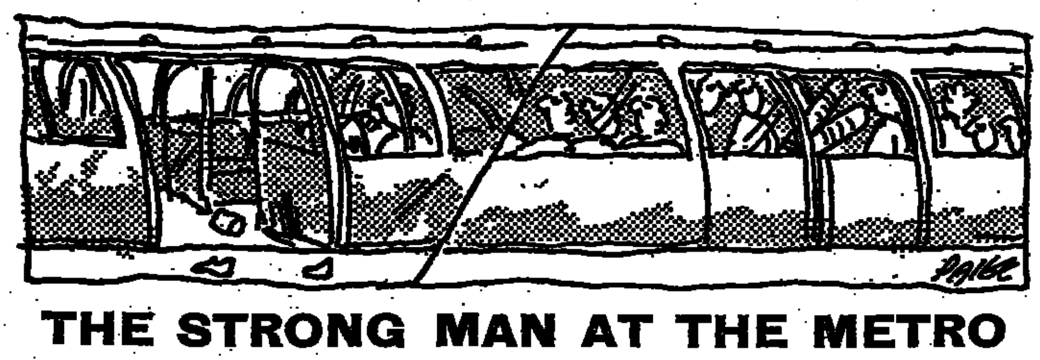
This will have strategic control over two separate subsidiaries to be created for the buses and Underground.

The justification given is that London's transport system needs a more stable environment than that allowed by party political upheavals at the GLC: and that a more commercial approach is needed in running the capital's transport system.

But will this really produce the desired results? A comparison between the London and Paris underground systems suggests that other changes—of philosophy and financial backing—may be more important in creating a successful network.

Differences of philosophy are hard to quantify, but seem one of the most vital factors in the success of the Paris underground compared to London's. The French Government, following its tradition of state intervention, seems simply to have placed greater emphasis on the provision of a modern, efficient service than successive British counterparts—and to have backed its philosophical commitment with capital investment and subsidies.

Paris has poured money into improving its facilities: the metro and rapid transit network has expanded by 50 per cent in the past 15 years.



THE STRONG MAN AT THE METRO

The office of the chairman of RATP, the Paris Metro and urban transport network, is modest by French public sector standards. The furniture is functional, the rubber plant unassuming and the view over the Seine quite lovely. The only newspaper on the tidy desk is a copy of "l'Humanite," the daily of the French Communist Party (PCF).

It is no accident to find "l'Humanite" in the office of M Claude Quin. For the chairman of RATP is a 51 year old Marxist economist and a long standing member of the PCF. And as one of the first Communists to run a large French public sector company, M Quin makes no secret of the political nature of his job.

Appointed when the left came to power in 1981, he has from the beginning been the strong man at RATP where he intends to demonstrate that Communist-managed businesses can run as efficiently, or perhaps even more efficiently, than private or other public sector groups.

M Quin's record so far has been extremely good. He did, however, start with a number of advantages. He is firmly backed by the French Transport Minister, M Charles Fiterman, a leading member of the PCF.

He also inherited what is generally considered one of the best urban transport networks in any major Western capital. Moreover, the enterprise he has taken over is heavily subsidised, thus presenting fewer of the financial problems afflicting many of the large French state sector groups.

M Quin likes to view his policies at RATP as consistent with his political beliefs. "As a Marxist economist I feel very comfortable here," he says with his seemingly permanent half smile.

He claims his policies are already paying dividends. "During the past two years our traffic has increased by about 3 per cent a year after stagnating for the two previous years. In 1981 we made an operating profit of FFr 170m (£14m) and we made another profit of FFr 61m last year. During the past two years we have hired 6,000 people and our workforce has increased to 39,000 people," he says.

M Quin, whose experience of public transport before his appointment was limited to travelling by Metro or bus, adds: "We have reduced working hours but our labour costs have also gone down from 61.8 per cent of total operating costs to 59.5 per cent. I cannot think of many public enterprises that have been able to achieve the same economic and social results."

M Quin has also been helped by the lack of any serious labour unrest since he took over. From the beginning, his appointment was welcomed by the pro-Communist CGT labour union which has established a dominant position among RATP's workforce.

M Quin has tried to change the union's attitudes: They must, he says, "involve themselves, not only in the social problems of an enterprise but also in its economic problems. It is crucial."

Despite his Communist credentials, M Quin regards himself as an independent business manager responsible to the Socialist-led government and not to his Communist Transport Minister. "It is very important to make this distinction," he says.

In an apparent effort to demonstrate his open-mindedness, M Quin has decided to retain first-class carriages on the Paris Metro. The city is thus the last major capital to have an urban transport system with both first and second class. "If people like to pay more for the same service, why should I stop them?" he says.

Paul Betts

The London network, which is older and more complex, has been more difficult to modernise. Investment in stations, in particular, has lagged and spending on equipment to reduce manning—such as automatic fare collection—has been much slower than in Paris.

As for subsidies, travellers in Paris pay only about 30 per cent of the costs of running the city's urban transport network RATP. In London they contribute more like 70 per cent. LT's capital and revenue subsidies in 1982 totalled £249m, against RATP's budgeted operating subsidy alone of FFr 7,239m (£624m) in 1983, which was an increase of 28 per cent on 1982.

The State, local authorities and employers, all make a contribution to transport costs in Paris. Employers pay a 2 per cent payroll tax in central Paris and 1.2 per cent in outer Paris. In addition, they pay 50 per cent of the commuting costs of their employees—a measure introduced by the Mitterrand government last year—which will rise to 60 per cent next year.

However, any comparison between the Paris and London systems should take into account the fact that the government pays a large subsidy to British Rail for its commuter services. In 1983, £266m of the total £819m government grant to BR is earmarked for the London and South East sector. The RATP is not without financial headaches either: while LT investment is funded by capital grants and internal funds, RATP finances a large part of its investment programme through loans.

The debt burden is heavy. Interest payments which were 5 per cent of revenue expenditure two years ago could be as much as 20 per cent in two or three years.

M Claude Quin, RATP chairman, says: "It can't go on. Either the debt must be restructured [as happened to LT in 1969] or the proportion of direct capital grants must be increased." The French government wants to put more of the financial burden of supporting Paris's transport on local government in the region.

As for organisational structure, party political changes at the GLC have certainly not helped LT in recent years. Paris, by contrast, has enjoyed a degree of stability under the Syndicate des Transports Parisiens (STP), which co-ordinates RATP metro and bus operations, RER (regional rapid transit lines owned jointly by RATP and French railways), and the railway commuter services.

The Syndicat is under the firm control of central government, but its members include representatives of Paris local authorities, giving some grass-roots say in how the system is run.

Britain is now also adopting greater central government control. The Transport Secretary will appoint the board of the new LRT — and the members will be predominantly businessmen. Unlike Paris, there will be no representatives from borough councils, even though they will have to contribute financially to the system.

Greater government control will not mean bigger subsidies for London Transport. On the contrary, LT is expecting subsidies to decline over the coming three years — a time when it hopes to be increasing capital investment.

Dr Keith Bright, LT's chairman, is therefore aiming to cut costs by an efficiency drive that will slash operating costs and cut staff by 5,700 to a total of 52,000 by 1987. Ironically, RATP is in the process of increasing its staff, by 4,000 to 42,000 next year, as part of a government campaign to combat unemployment.

Dr Bright is also determined to restore LT's reputation in the 1930s as a design innovator. But if Londoners can look forward to travelling on a more efficient, more attractive tube system, they will have to reconcile themselves to the fact that it is never likely to be as cheap as the Metro. The necessary political backing for that just does not exist.

A Peking capitalist on the 39th floor

By Alain Cass, recently in Hong Kong

"I AM" *says Wang Guangying* with a toothy grin "a capitalist, not a Communist. A very famous capitalist."

His Rolex wristwatch flashes as he laughs and slaps his visitor on the knee, presumably to dispel any lingering doubts that he may be a dull communist party apparatchik, a kind of Peking wolf in cashmere clothing.

Mr Wang is perched on the 39th floor of a near-empty glass and metal skyscraper in Hong Kong's politically neurotic business district. He dispenses good humour, cherry-sized "Cool Mints" and, it seems, lucrative contracts for mainland China's economic facelift.

He insists he is not Peking's man, although he says that "tasks have been assigned to me by the central authorities." He smiles inscrutably at suggestions that he is close to Zhao Ziyang, the Chinese Premier, but adds with commendable modesty: "I do not run to Premier Zhao with every little problem."

Mr Wang came to Hong Kong just over six months ago from the huge industrial city of Tianjin in north east China. He was jailed for eight years for being a "capitalist-roader" in the heyday of China's radical left along with his mother, who died in jail, two elder brothers and a younger sister. His sister was the widow of Liu Shaoqi, the late Chinese Head of State, imprisoned during the Cultural *Revolution for liberal* economic policies which have now made a spectacular comeback.

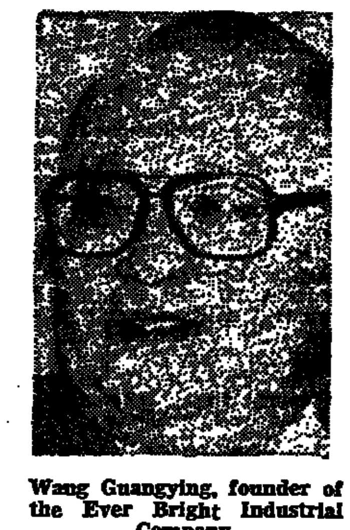
Mr Wang bought 10,800 sq ft of prime office space, houses for his family and team of collaborators and set up the first Chinese private corporation in the colony, aptly named the Ever Bright Industrial Company.

Who pays for it all? He smiles and points to his nose. "There is no state money," he insists.

Quite what *Mr Wang's role* is meant to be is not yet clear, although he insists affably that he is not "hatching plots." He is mostly interested in buying machinery for China's modernisation drive and has concluded some small to middling deals for trucks, textile machinery and the like.

Mr Wang says he plans to invest abroad—he mentions Britain and Australia—and says he wants Ever Bright to become a "super corporation" with tentacles across the world.

Nobody knows how big China's stake in Hong Kong really is. Some estimates put it at U.S.$3-5bn (£2-3bn). It includes 13 banks, led by the



Wang Guangying, founder of the Ever Bright Industrial Company.

Bank of China, and dozens of other state and provincial trading corporations. There are also believed to be at least as many "private" businesses owned by Peking but fronted by Hong Kong residents.

Mr Wang, however, is Peking's first home-grown, exported and officially-approved capitalist in Hong Kong. His presence, at a time when the colony is extremely nervous about China's long-term intentions and the talks with Britain stumble from round to round, is of considerable symbolic importance.

The Chinese, who claim sovereignty over the whole of Hong Kong when the lease covering the *New Territories* and parts of Kowloon runs out in 1997, are indignant at repeated suggestions that they would make hopeless capitalists. They resent the high moral tone taken by Britain in the current talks and object even more to suggestions that they do not understand what makes Hong *Kong tick and would destro* the framework within which has grown to become a worl ranking business centre.

How Mr Wang performs Hong Kong's business roug house, therefore, will b watched with keen interest by i vestors who worry that Peking vague promises to allow the te ritory to continue as it is woul be worthless, judging by th erratic progress of Chines policies in the past.

The last, moderately opt mistic, round of talks in Pekin and the package to stop th slide in the Hong Kong doll have brought a slight rosy ti back to the colony's cheek After four previous rounds which both sides appeared be at cross purposes, large over the disputed issue sovereignty, it now seems th Britain and China are gettir down to discussing the mo important practicalities of ho the territory might be governe after 1997.

Bolstered also by the beli that things couldn't get mu worse the markets have picke up a little in the past week.

But there is still deep gloo based essentially on the growi realisation that China probab means what it says about regai ing full sovereignty over the te ritory in, or before, 1997.

The Hong Kong doll remains grossly undervalued, economic terms, even at th present, fairly stable rate HK$7 to the U.S. dollar. Pro erty prices are at an all-tin low, with tens of thousands sq ft of empty office space whil new, inward investment virtually at a standstill.

Mr Wang, Ever Bright to t last, tut tuts. "People in Hon Kong are too nervous," he say "The name of my compan means open and above board i Chinese. The fact that I' here embodies the open polic of our state. As I told th chairman of Bank Fuji of Japa only the other day, I have com here, therefore I am confide of the future."

Hong Kong's business com munity, which can occasionall be seen waiting patiently in th spacious ante-rooms to M Wang's office, is mildl impressed but not entirely co vinced.

Weekend Brief

Ill-matched sparring partners

AMID ALL the ups and downs of political life one partnership at least has endured—the long running contest over the despatch box between Denis Healey and Geoffrey Howe, which provided one of the ironic twists to this week's Commons arguments over Grenada.

The two men have, in Healey's words, been sparring partners for many years. Their rivalry started in early 1975 when Howe became the shadow to Healey as Chancellor. Then the roles were reversed after the 1979 election. There came a gap when Healey moved over to shadow foreign affairs, though he still managed an occasional tilt—and the partnership was brought together again when Howe became Foreign Secretary in June.

The two men are linked not by similarity of personality (they could hardly be more different) nor by friendship (there are no jolly chats over a drink after debates). The bond is their resilience. Faced by major economic setbacks as Chancellor each man kept going: Howe's style was to absorb the punches, Healey's to hit back.

Healey has been the ultimate opportunist, the brilliant polymath with contacts and information apparently everywhere which he exploits to the full. He is—generally so much in command of his material that he can dominate the Commons even when, as this week, he sometimes exaggerates and goes over the top.

By contrast, Howe is the epitome of the reasonable man, always conscious of complexities and labouring patiently to make sense of a wicked world. Healey enjoys the wickedness, to the evident annoyance of Howe who believes that his rival should know better. Indeed, Howe brings out the bully in Healey who not unreasonably, thinks that a Chancellor or Foreign Secretary ought to be able to look after himself.

The result has been some memorable exchanges if hardly in the Pitt-Fox or Gladstone-Disraeli class. During his Chancellorship Healey described Howe's ineffectiveness as being like savaged by a dead sheep, a label which Howe has been unable to shake off. And this week Healey noted that Howe could never be accused, unlike Mrs Thatcher, of megaphone diplomacy; "How can you mumble into a megaphone?"

Apart from the insults, Healey generally had very much the better of the exchanges — though, of course, he had the freedom of Opposition rather than the inhibitions of office where his rhetoric might have been more restrained. Indeed it is the ultimate irony that, while Healey has had the parliamentary triumph, it is Howe who has the office which Healey has wanted for his whole career and which he is probably the best qualified of all postwar politicians to hold, and which is now almost certainly beyond his grasp.

Yet Healey has no bitterness. He enjoys life, jet setting from conference to conference (earning money and maintaining his international network) as well as pursuing his wide range of interests, from opera to photography. And late on Thursday evening he had the satisfaction of coming top of the poll in the election for the Shadow Cabinet by Labour MPs, a belated recognition of his talents from the very group which previously frustrated his ambitions.

Trevor Humphries and Ashley Ashwood

Denis Healey hits while Sir Geoffrey Howe absorbs the punches

Four giant Wooden igloos for Antarctica

Four large wooden tubes, each longer than a football pitch, squat in the snow on the floating Brunt ice shelf at Halley in Antarctica, 75 degrees south. They are about to become home for 18 scientists of the British Antarctic Survey and a key part of our national presence in the South Atlantic.

Royal Engineers erected these tubes at top speed in the teeth of icy gales last spring, to the evident delight of Sir Hermann Bondi, chairman of the Natural Environment Research Council, owners of the Halley Station. Shortly a research vessel will sail from Britain laden with instruments and supplies to fit out the new laboratories.

Next summer the scientists will emerge from their present burrow, 16 metres deep, past the London Underground sign at the mouth, to occupy the new Halley Station. By then the wooden tubes will be well encrusted with ice and already beginning to disappear into the snowscape. By the end of the century they will have sunk about 19 metres below the barren surface.

These scientists have lived with the impermanence of their quarters ever since Halley was first established in 1958, originally at the expense of the Foreign Office. They have needed a *new home every* 10 years before ice crushed them flat.

This is their fourth: a novel design reached by collaboration between the British Antarctic Survey and Structaply, specialists in plywood construction. The four tubes, each 120 metres long and over nine metres diameter, are formed of interlocking plywood panels which give the structure both strength and flexibility in facing the crushing burden of ice. Its designers say their model tests show they will keep the scientists safe and snug for the next 15 years.

All 648 tonnes were first erected in Britain, dismantled and taken by sea to the Antarctic, transported across 11 miles of ice last winter (midsummer at Halley) and re-erected. Sir Hermann says the best hopes of his scientists were "brilliantly achieved" by the soldiers. Interconnected, the tubes will provide two-storey living and working space for a team of 18.

Sir Hermann regards this research group and its administration in Cambridge as "an extraordinarily cost-effective organisation." He claims that it *generates more scientific papers* than any other scientific team operating in the Antarctic.

Halley lies beneath a scientifically fascinating boundary between two atmospheric phenomena, called the plasmapause, where electrically hot and cold conditions interact. A computer-controlled radar at Halley is used to explore this boundary, and also send up balloons—55 last year—bearing instruments to an altitude of 30 kilometres. The Government has recently recognised more clearly the strategic as well as the scientific advantage of the presence of such a hardy band of explorers and authorised an increase in last year's budget of £5.7m.

Was it possible that the scientists could also show eskimos how to make a better igloo? Sir Hermann took the question seriously. If not eskimos, he believed that other inhabitants of Antarctica would be keenly interested in the performance of the new Halley Station.

A new interest for Harold Evans?

Enigmatic publishing millionaire Alfred Guttman made a rare public appearance on Thursday, at the press conference at the House of Commons for Harold Evans' latest book *Good Times, Bad Times*. The story behind this is a plan to expand an already highly profitable publishing empire.

Guttman has long been interested in running his own magazine. He tried to buy Sir James Goldsmith's NOW! and has flirted with The Spectator and Encounter. I understand his latest idea is to launch a new monthly glossy called LONDON some time next year, with a print run of around 300,000.

To realise this ambition, Guttman has hired a bevy of Sunday Times men, from Harold Evans' old haunts. LONDON's editor will be David Leitch, and favourite for advertising director is Ross Young, former head of display advertising at The Times and The Sunday Times. George Darby, another Sunday Times senior executive, has been working on dummies, which include contributions from Sunday Times photographers Lord Snowdon and Don McCullin, the war photographer.

The money for the new magazine comes from Guttman's amazingly successful venture into puzzle magazines. A reclusive bachelor, he arrived in England from Switzerland in the early 1970s and began to exploit the British passion for self-inflicted mental strain. His monthly magazine, The Puzzler, sells up to 800,000 copies at 50p each, and together with its quartery sister, The Puzzler *Collection*, generates annual turnover of about £5m.

These cheering figures are produced with a staff of nine, mostly part-timers, aided by Mr Guttman's personal iron fist. There is no advertising revenue at all.

But the operation generates so much cash that Guttman needs to add to his publishing business, and this is where Harold Evans may come in. There have been rumours for some time now that Harold Evans and his wife Tina Brown (ex-editor of Tatler) are thinking of launching a new publication too.

Will their magazine be a competitor for Guttman's LONDON? Or is Guttman planning to add the redoubtable duo to his expanding stable?

Contributors:
Peter Riddell
David Fishlock
Douglas Midgley

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
* Abbey National	7.25	8.25	9.00	2-year Bondshare, 90 days' notice and penalty
			8.25	High Option, 90 days' notice. No penalty
			8.25	7 days' notice. No interest penalty
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	9.00	2 years, 3 months' notice/penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice. 1 month's penalty
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			7.75	7 days' notice
Britannia	7.25	8.25	8.85	2-year Term Bond, 8.50 Option Bond
Cardiff	8.00	8.75	—	
	*8.50	—	—	* Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75/9.50	Fixed 2/3 years. Details supplied
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest, £5,000 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 mth.'s not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 1 month's notice, no penalty
			8.50	Xtra Interest Plus, 3 months' notice no penalty
			9.00	High Growth Bond, 3 months' notice/penalty
Heart of England	7.25	8.50	9.00	2 years fixed 1.75 over shares
Hemel Hempstead	7.25	8.50	9.25	2 years, 8.75 3 years, 8.50 3 months
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.10	28 days, plus loss of interest, 8.25 3 mths.
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	9.00	2 years with monthly int. 8.50 1 month's pen.
Leeds Permanent	7.25	8.25	8.50	HRAS £500 min, 9.00 2 yrs. £1,000 min.
Leicester	7.25	8.25	9.05	3 years, 8.25 3 months
London and Grosvenor	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.25	9.00	2-year Term Share, £1,000 minimum
Mornington	8.50	8.50	—	
National Counties	7.55	8.55	9.10	28 days' notice £500 minimum
National and Provincial	7.25	8.25	9.00	3 m. notice, 8.50 1 m. notice + monthly income
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty
New Cross	8.25	—	8.25-8.75	on share accounts, depending on minimum balance over 6 months
Northern Rock	7.25	8.50	9.00	Moneyspinner 3 months' notice + penalty
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.25	1 month, 9.00 3 month's notice (no penalty)
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 months, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	—	Super 8.25 1 mth. notice. Silver 8.6 3 yrs.
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7-day County share account
Sussex Mutual	7.50	9.00	7.75-9.00	
Thrift	8.15	—	9.15	3 years' term. Other accounts available
Town and Country	7.25	8.25	9.00	2 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	28 days' notice or imm. withdwl. with penalty
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	28 days' notice or on demand (interest pen.)
			8.50	90 days' notice or on demand (interest pen.)
			9.00	2-year term, or 90 days' penalty (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Wall St awaits money supply

A MIXED trend prevailed on Wall Street yesterday, when investors appeared unwilling to commit more funds before the Money Supply figures are announced.

By 1 pm the Dow Jones Industrial Average was off 2.64 to 1239.43, making a loss of 9.45 on the week, while the NYSE All Common Index, at $94.53, shed 23 cents on the day and 91 cents on the week.

In the broader market, however, advancing stocks held a slight lead over losers. Volume decreased 4.88m shares to 55m, compared with 1 pm Thursday.

Analysts said investors appear to be using increased international tensions and concern about the trend in interest rates as reasons not to invest.

Investors are very concerned about taking risks and consequently Blue Chip prices may improve slightly, but more speculative stocks are being hit hard, said one analyst, who added that investors are watching Corporate earnings reports closely.

Earlier yesterday the Commerce Department said the U.S. Leading Economic Indicators rose 0.9 per cent in September after the revised 0.3 per cent increase in August. Analysts said the signs of continued economic growth could be aiding the market.

John Blair fell $4½ to $38 on "flat" third quarter profits.

Perkin-Elmer dropped $4½ to $25½. CSX Corp, the volume leader, held unchanged at $24½—a block of 788,000 shares was crossed by Salomon Brothers at $24½.

Commodore International lost $¾ to $31½ in active trading—the company has been hurt by rumours of product defects, which Commodore denies.

American Express declined $1½ to $33½ in active trading—a block of 561,200 shares traded at $33½.

THE AMERICAN SE Market Value Index shed 0.47 to 213.16, making a loss of 5.09 on the week. Trading volume decreased 54,000 shares to 5.38m.

Canada

Slightly higher at mid-session in thin, featureless trading.

The Toronto Composite Index was up 2.8 at 2,374.8, Golds 4.7 at 3,639.8, Oil and Gas 8.7 at 3,297.9 and Banks 3.51 at 465.94. But Metals and Minerals shed 3.7 to 2,250.9.

Rio Algom were up $½ at $16½ on nine-month earnings of 78 (27) cents a share.

Germany

Generally mixed, although dealers reported strong demand for certain equities, especially where Foreign orders were on hand. Trading was lively, as those taking profits found other investors willing to build up new positions.

The Commerzbank Index rose 3.5 to 1,006.9, still within sight of the all-time high of 1,031.9.

Chemicals were especially in demand, as were tyremaker Conti-Gummi, up DM 7 at 124.7.

BMW rose DM 5.3 to 417.8 on its turnover up 18 per cent in the first nine months. Daimler rallied DM 4.5 to 671, but well down from the record high of DM 704 touched earlier this week.

Steels were neglected after the failure of major companies to reach an accord with the Government on financial aid.

Veba recovered DM 1.10 to 166.9, after a sharp fall Thursday on Government plans for a public offering from its stake.

Lufthansa up DM 0.5 at 128, is widely expected to be the next company the Government will try to privatise. The Government hold a 74.3 per cent stake in the Airline.

Paris

Narrowly mixed in quiet trading ahead of the four day weekend for All Saints holiday on Tuesday.

In higer Oils, Esso advanced Frs 21.6 to 388.5 after saying its Brie Oil Field was likely to produce 200,000 tonnes a year. Elf gained Frs 1.3 to 169 and CFP rose Frs 2.8 to 151.

In mixed Constructions, Poliet held unchanged at Frs 329 after reporting lower first half Parent company profit. Colas eased Frs 3 to 211.

Lower sectors included Banks, Rubbers, Electricals and Metals, while Financials and Chemicals were higher.

Among Foreign sectors, Americans, Dutch and Coppers were mixed. Germans and Gold Mines were firm, while Japanese and Oils were lower.

Switzerland

Steady in moderate trading for the third day running, underpinned by continued interest in Banks and selected Financials and also Industrials.

Retailer Usego rose on speculative demand ahead of its Press conference next week. Adia gained Fr 30 to 1,540 and Jacobs-Suchard Bearer Frs50 to 8,075.

Swiss Bonds were narrowly mixed in small volume.

In the Foreign sector, Dollar stocks traded above overnight New York levels. Dutch Internationals and West German firmed slightly.

Tokyo

Mixed in light but nervous trading as investors waited for the result of moves by Prime Minister Yasuhiro Nakasone to end the Opposition boycott of Japan's Parliament.

The Market Average shed 1.72 to 9,321.37.

International "Populars" lost ground on profit taking, while "Speculatives," Oils, Machine Tools and some "Small" shares were firmer.

Oils were firmer in reaction to tension in the Middle East and Caribbean.

Car and Car Parts were generally higher because of the high level of car output and exports. But Isuzu Motors shed Y7 to 419 on profit-taking after rising Thursday on news it had developed a Ceramic engine.

Casio Computer rose Y20 to 1,420 on a 9.5 per cent rise in after-tax profit for the six months to September 30.

Hong Kong

Firm on a late wave of small buying, which compensated for morning losses from profit-taking.

The Hang Seng Index ended 10.85 higher at 828.13.

Brokers noted switching of capital from the Foreign Exchanges into the Equities Market, due partly to the official pegging of the Hong Kong dollar at 7.80 to the U.S. unit.

Brokers also noted the return of small investors, following a cut in local interest rates by as much as 4 percentage points.

Australia

Share markets turned in their biggest gains of the week yesterday, after announcements of a new oil find in Queensland and of a lower inflation rate for the September quarter.

The All Ordinaries Index was up 5.5 at 652.7, the All Industrials 5.0 at 882.1 and the All Resources 5.9 at 524.0.

The strong flow of 1,380 barrels a day from Maccowlah South One brings to four the number of recent finds around the Jackson pipeline.

The Oil and Gas Index rose 11.2 to 656.2 and though there were no big rises, gains were spread widely across the sector.

Both major Maccowlah Partners firmed. Santos put on 14 cents to A$7.40, while CSR, which controls the operator, Delhi, added 4 cents at A$3.57.

Further falls in Precious Metal prices left Gold and Base Metal Mines virtually unscathed.

CRA rose 8 cents to A$5.38 on news that production from its Argyle diamond operation will easily outstrip targets for 1983.

Industrials were generally firm, and Banks advanced.

Singapore

Slightly higher on renewed light buying. Trading was dominated by technical consideration.

The Straits Times Industrial Index firmed 3.27 to 848.88. Turnover 7.7m (5.3m) shares.

Closing prices for North America were not available for this edition.

حكذا من الأصل

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Tate and Lyle agreed to sell its loss-making Canadian interest Zymaize for what it describes as a nominal sum. Zymaize is 50 per cent owned by Tate's Canadian subsidiary, Redpath Industries and the buyer is John Labatt, the brewing subsidiary of Brascan which already owns the other half of the fructose sweetener manufacturer.

Bunge, one of the world's largest grain merchants, made a major move into the European edible oil market with the purchase of J. Bibby's edible oil subsidiary for £14m.

Discotheque group Juliana's Holdings acquired the exclusive London nightclub Raffles, for £290,000.

Dealings in Streeters of Godalming, the civil engineering contractor, were suspended at 38½p pending the outcome of talks with an unnamed party which could lead to an offer for the company. Costain holds a 22.5 per cent stake in Streeters.

Engineering concern Williams Holdings made an agreed offer for Garford-Lilley Industries, the engineering, plastics and woodworking group, valuing the latter at £5.44m. Williams is offering one of its own shares plus 60p cash for every two Garford-Lilley shares. The Garford-Lilley board and certain other shareholders have accepted the offer in respect of over 50 per cent of the equity.

Slough Estates, Allnatt London Properties and Guildhall Property disclosed that they were in discussions which could lead to a merger of the three companies. Allnatt has a 39.3 per cent stake in Guildhall and the two companies share the same board of directors. All three companies are predominantly industrial property developers and if a merger is agreed, the newly formed group would have a combined market capitalisation of nearly £300m.

Also in the Property sector, North British Properties received a bid from Sun Life Assurance. The latter is offering 188p per share and the bid values North British at £19.8m. The directors of North British consider the terms fair and recommend acceptance.

Royal Insurance announced that its U.S. company Royal Group Inc. had reached agreement to acquire the Missouri-based insurance concern Silvey Corporation for $50.7m cash.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Branon	30*	30	58	0.92	Taddale
Drake and Scull	113§§	111	85	20.69	Simon Engineerg
Eagle Star	500*§	528	500	692.02	Allianz Verschrng
FMC	49*	48	48	4.90	Hillsdown Hldgs
Garford-Lilley	75§§	70	38	4.94	Williams Hldgs
Hawkins & Tmpsn	44*§	43½	38	3.82	Evered
Helical Bar	65*§	71	75	1.59	Exent
Hoover (UK) Ord	240*§	225	215	18.34	Hoover (U.S.)
Hoover (UK) "A"	235*§	222	205	28.69	Hoover (U.S.)
Huntleigh	195	218	203	28.01	Flight Refuelling
Illngwth Mrrs Ord	14¾*§	17	18	1.33	Mr A. Lewis
Illngwth Morris A	10½*§	11	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	230	80	1.02	Wasskon
Ins Cpn of Ireland	264§	272	224	125.52	Allied Irish
Moorside Trust	101*	105	94	19.6	Guinness Peat
North Brit Prop	188*	179	158††	26.07	Sun Life Assur
Rightwise	238½*§	190	200	2.57	Crosby House
Royal Worcester	282	303	275	19.08	Crystalate
Russel Bros	100*	120	115	0.72	Mr N. Phoenix
Spring Grove	50*†¶	49	48	16.88	Pritchard Services
Sunlight Serv	283	220	192	34.29	Brengreen Hldgs
Tate of Leeds	210*§	197	170	1.21	Tate family
Tecalemit	44½§§	45	29	15.21	Siebe Gorman
Telfos	40*§	42	38	2.08	Plantation and Gen Ivs
Twinlock	71*§	70	60††	15.17	Acco World Cpn
UBM Group	129½§§	121	99	75.93	Norcros
Westminster Prop	35½*§	35½	32	9.85	Milbury
Wheeler's Rsts¶	468	475	485	7.02	Kennedy Brookes
Whittingh'm (W.)	130*¶	127	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 28/10/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Acsis Jewellery	July	206	(390)	—	(—)
Allied Leather	June	737	(663)	1.75	(1.75)
Avana	Oct	6,670	(5,050)	3.75	(3.0)
Bishopsgate Tst	Sept	1,090	(942)	1.2	(1.2)
Bluemel Bros	April	173L	(260)L	—	(—)
Border Breweries	Aug	476	(458)	1.4	(1.4)
Boosey & Hawkes	June	481	(659)L	2.0	(—)
Coates Bros	June	3,870	(4,500)	1.0	(1.0)
Cook, William	Sept	248	(92)	1.0	(0.2)
De Vere Hotels	Sept†	1,000	(214)	3.0	(3.0)
Foster Bros	Aug	1,920	(1,020)	1.25	(1.1)
Francis Indust	July	496	(166)	1.0	(1.0)
Gallaher	Sept†	88,000	(54,900)	—	(—)
Gill & Duffus	June	—	(—)	4.0	(3.6)
Helical Bar	July	165L	(76)	—	(—)
Henderson Group	Aug	2,350	(1,650)	1.6	(1.33)
ICI	Sept†	445,000	(203,000)	—	(—)
K Shoes	July	2,950	(801)	—	(—)
Kwik-Fit	Aug	2,410	(1,570)	0.78	(0.68)
Miller, Stanley	June	82L	(10)	0.6	(0.6)
Reed Executive	July	134	(752)L	0.1	(0.1)
Rchrdsns Wstgrth	June	341L	(834)L	—	(—)
Runciman, Walter	June	447	(1,030)	2.5	(2.5)
Solex	June	151L	(770)L	—	(—)
'The Times' Venr	June	31	(42)L	—	(—)
Uniflex	June	102	(552)L	—	(—)
Utd Ceramic Hlds	June	80	(7)	1.0	(—)
Wace Group	June	85L	(312)L	—	(—)
Weeks Assur	Aug‡	100	(38)	—	(—)
Wire & Plstcs Prd	June	193	(151)	1.0	(0.85)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown in net pence per share except where otherwise stated. † Third quarter figures. ‡ 28 weeks. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Audio Fidelity	April	297L	(167)L	—	(—)	—	(—)
Border & Sthrn	Sept	5,210	(5,600)	3.3	(3.5)	3.15	(3.0
Dixon, David	March	424L	(18)L	—	(—)	2.22	(6.2
Fairview Estates	June	7,510	(6,250)	17.7	(15.5)	5.5	(5.0
Floyd Oil Part	June	61	(100)	—	(—)	—	(—)
Goodman Bros	April	165	(296)L	1.5	(—)	0.75	(—)
Highland Dist	Aug	7,050	(5,730)	8.6	(8.1)	3.2	(2.8
LDH Group	May	96	(410)L	1.5	(—)	—	(—)
Manganese Bronze	July	548	(349)	3.2	(1.5)	2.17	(2.1
McKechnie Bros	July	11,070	(958)	13.6	(13.1)	7.28	(7.2
Peachey Prop	June	6,690	(6,725)	12.3	(12.2)	6.0	(5.2
Samuel Prop	June	4,270	(3,660)	10.8	(8.6)	5.2	(4.6
Stocklake Hldgs	March	4,250	(4,920)	46.4	(50.9)	12.0	(12.
Walker & Homer	July	589	(177)L	4.3	(—)	—	(—)

Rights Issues

Manson Finance Trust—Raising £2.3m by issue of 9.66bn new ordinary shares of 20p each at price of 25p on basis of one new ordinary share for every two shares held.

Offers for sale, placings and introduction

French Connection—Offer for sale of 1.82m shares at 123p each.
Laidlow Group—Coming to USM via a placing of 2m shares at 45p each.
Leading Leisure—Raising £1.2m through an over the counter placing of 4.8m shares at 25p each.
Security Tag—Private placing of 500,000 shares.

Issue News

Michael Peters—Joining USM via placing of 1m shares at 85p each.

EUROPEAN OPTIONS EXCHANGE

Series		Vol.	Last	Vol.	Last	Vol.	Last	Stock
		Nov.		Feb.		May		
GOLD C	$375	—	—	1	31	—	—	$387.50
GOLD C	$400	—	—	24	15.50	46	25	"
GOLD C	$425	5	0.90 B	42	7.50	12	14	"
GOLD C	$450	—	—	52	4	—	—	"
GOLD C	$550	200	0.10	—	—	—	—	"
GOLD P	$375	8	2.50	65	8.40	—	—	"
GOLD P	$400	47	15	52	17.50	—	—	"
GOLD P	$425	3	59	4	42	—	—	"
		Dec.		March		June		
SILV C	$ 9	15	0.55	32	0.95	—	—	$9.06
SILV C	$10	60	0.20	5	0.55	29	0.85	"
SILV C	$11	—	—	1	0.25	10	0.45	"
SILV C	$12	—	—	1	0.15	—	—	"
SILV P	$ 9	38	0.55	4	1.15	3	1.25	"
SILV P	$10	10	1.20	3	1.50 B	4	1.50	"
SILV P	$12	2	3.30	—	—	—	—	"
		Jan.		Apr.		July		
ABN C	F.360	63	11	10	19.90	—	—	F.347.50
ABN C	F.380	40	4.80	10	11.50 A	—	—	"
ABN P	F.340	116	4.50 A	—	—	—	—	"
AKZO C	F.70	96	8	4	10.20	—	—	F.75
AKZO C	F.80	113	3.50	18	6.50	—	—	"
AKZO C	F.90	12	1.10	62	2.70	—	—	"
AKZO P	F.70	52	2	3	3.30 B	5	4.40 B	"
AMRO C	F.60	35	3	63	4.50	67	5.60	F.57.50
AMRO C	F.65	97	1.40	60	2.70	3	3	"
AMRO P	F.60	36	3	4	4	10	4.50	"
GIST C	F.170	64	2	—	—	—	—	F.150
HEIN C	F.120	98	9.30	—	—	5	13.50	F.125
HEIN C	F.130	71	5	8	6.80	—	—	"
HEIN C	F.140	66	2.50	3	5.30	—	—	"
HOOG C	F.35	42	1.80	6	3.30	—	—	F.33.50
KLM C	F.150	60	14	—	—	—	—	F.156
KLM C	F.160	237	9	1	14	—	—	"
KLM C	F.170	63	6	5	10	—	—	"
KLM C	F.180	118	3.50	—	—	—	—	"
KLM P	F.140	49	1.20	—	—	—	—	"
KLM P	F.150	37	4	—	—	—	—	"
KLM P	F.160	143	9.40	12	11.20	—	—	"
PHIL C	F.40	82	7.50	—	—	—	—	F.46.60
PHIL C	F.45	136	4	42	6.30	12	6.50	"
PHIL C	F.50	476	2	85	3.60	150	4.40	"
PHIL C	F.55	273	1	220	2.20	—	—	"
PHIL P	F.40	35	0.90	—	—	—	—	"
PHIL P	F.45	126	2.40	30	3.10	112	3.80	"
PHIL P	F.50	74	5.30 A	122	6	—	—	"
RD C	F.110	187	18.40	—	—	—	—	F.125.20
RD C	F.120	125	10.80	150	13.50	—	—	"
RD C	F.130	261	5.30	36	9	130	10.70	"
RD C	F.140	416	2.70	222	4.80	1	7.50	"
RD C	F.150	242	1.30	152	2.70	—	—	"
RD P	F.120	383	2.40	77	3.50	—	—	"
RD P	F.130	277	6.80	25	7.60	11	9.80	"
RD P	F.140	85	15	69	14.90	—	—	"
UNIL C	F.240	55	4.90	3	8	—	—	F.232.30
UNIL P	F.220	41	2.50	6	5 B	—	—	"
EOE C	F.140	10	7.50	—	—	—	—	F.141.24
EOE C	F.145	7	5.20	6	7	—	—	"
EOE C	F.150	5	2.90	—	—	—	—	"
EOE P	F.140	2	2.30	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS: 13,340

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10½%
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland ◊	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9½%	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	10 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9½%	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months. 8.1%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6½%. £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
◊ Money Market Cheque Account—8.90%. Effective annual rate—9.27%.

APPOINTMENTS

New chief for Porter Chadburn

Mr Harry Kay has succeeded Mr Denby C. Bamford, as chairman of the PORTER CHADBURN GROUP following Mr Bamford's retirement. He had been chairman of the group since its formation in 1972. Mr Kay, who will also continue as chief executive, joined Chadburns in 1968 when he was appointed chief executive of Chadburn Holdings. He was closely involved in the subsequent merger with Porter-Lancastrian.

*

Mr N. H. Sharpe is to resign as chairman and as a director of W. N. SHARPE HOLDINGS on December 31. He will be succeeded as chairman on January 1 by Mr B. Austin and Dr A. Bearley will be appointed deputy chairman.

*

Mr Dugald Graham-Campbell has been appointed a director of BAIN DAWES CREDIT, the credit subsidiary of Bain Dawes. He was with The Credit Insurance Association.

*

Mr Robin Dorricott has been appointed director and general manager of CAPPER NEILL CONTROLS, part of Capper Neill.

*

IML AIR COURIERS' international management team has been reorganised. Mr Robert Sturman, who joined IML as finance director in June 1981, becomes network director, a newly-created post. He was a director of finance and administration at the Stanford Research Institute. Mr John Gordon-Smith becomes Globenet director. His job is to monitor the operational desk-to-desk efficiency of the network, schedule the company's routes and set tariffs. He is a former chairman of the British Association of International Air Courier Services. Mr Colin Carr, is promoted from UK courier director to commercial director, a new position central to sales efforts.

*

Mr Bengt Bangstad has been elected chairman of CLARK KENNETH LEVENTHAL & CO, an international association of separate and independent accounting firms, of which Clark Whitehill is the UK member. The appointment is for two years. Mr Bangstad is the senior partner of Bangstad Revisionsbyra, a Swedish firm.

*

Following the management buy-out of KCA International's 75 per cent in the UK-based KCA DRILLING GROUP, the following board appointments have been made. Joining Mr Mike McDowell, formerly a director and general manager and now managing director of the KCA Drilling Group, are Mr Paul Bews (finance director), Mr Noel King (operations director), Mr Peter Nichols (technical director), Mr Richard Pearce (commercial director) and Mr Nigel Walker (legal director).

*

Mr David E. Lahti has been appointed director of marketing, VAUXHALL MOTORS with responsibility for marketing Vauxhall and Opel passenger cars in the UK Mr Lahti joined General Motors Corp in 1962 and has held appointments in the Oldsmobile car division in various parts of the U.S., including Pittsburgh, New York and Minneapolis.

*

Mr Richard J. Wells has been appointed a director and managing director of SEASCOPE INSURANCE HOLDINGS from December 1. S.I.H. also intends to reorganise its insurance broking activities between two subsidiaries, the first, Seascope Insurance Services, the existing Lloyds' broker, to handle direct business and a second to handle reinsurance business. Mr David d'Ambrumenil will remain chairman of Seascope Insurance Services, and Mr Vincent Byrne will become chairman of the reinsurance broking subsidiary.

*

METAL CLOSURES GROUP has appointed Mr Richard A. Graves, chairman and chief executive of Brickhouse Dudley, a non-executive director.

*

CONDER INTERNATIONAL has made four appointments to the group main board. Mr John Davies, managing director of Conder Midlands, Mr John Downer, managing director of Conder Southern, Mr Richard Lowery, managing director of Conder Hardware, and Dr John Whitbread, managing director of Conder Group Services.

*

Mr Cyril Jones has been appointed sales director of J. W. SPEAR AND SONS. Mr Jones joins Spear's Games from Fisher-Price where he has held a similar appointment since 1977.

*

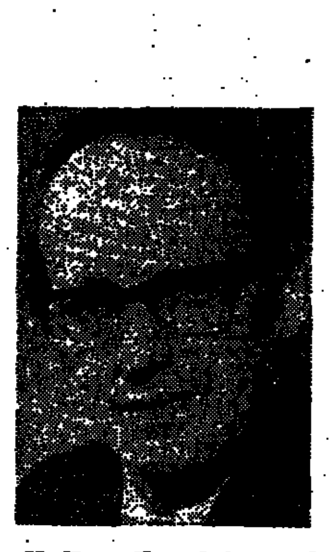
Mr E. C. Bruce-Garner has joined ELLIOT SIMONE ASSOCIATES as an actuary and has been appointed to the board. Mr David H. Gulliver has also been appointed to the board.

*

Mr Michael Sutton has been appointed company secretary and chief accountant of JOHNSON GROUP CLEANERS. He has also been appointed a director of Johnson Group Management Services.

*

BOWEY GROUP has appointed Mr David Staines managing director of Bowey Construction (formerly Ralph Bowey and Son), the group's general contracting and development company. Mr Staines was head of Bowey (Services), the group subsidiary which provides specialist back-up to the Bowey building and civil engineering compaines.



Mr Harry Kay, chairman of Porter Chadburn

*

Mr Tim Eggar will join the board of CHARTERHOUSE PETROLEUM on November 1. Mr Eggar has been MP for Enfield North since 1979.

*

Mr J. R. (Tim) Rathbone, a member of the holding board of the Charles Barker Group, has been appointed chairman of the group's Manchester advertising agency, CHARLES BARKER CROSS COURTENAY. He takes over from Mr John Black, chairman for the past five years, who has retired. Mr Rathbone was appointed managing director of the group's largest agency, Ayer Barker, in 1971, becoming a non-executive director after election as an MP in 1974.

*

C. H. BEAZER (PLANT SALES) has made the following appointments: Mr Roger Shute becomes chairman of plant sales, Mr Graham Hall, sales director, becomes managing director and Mr Paul Simes marketing director, with Mr John Colclough northern regional director. Mr Shute also becomes managing director and chief executive of Beazer Engineering Holdings with responsibility for plant sales and the two group engineering companies based at Taunton and Exeter.

*

Mr John Nicholas has been appointed managing director of the DIRECTOR PUBLICATIONS, at the Institute of Directors, Pall Mall. He was formerly a director of Condé Nast and National Magazine Distributers before becoming an international publishing consultant.

Economic Diary

TOMORROW: Argentine general elections.

MONDAY: Miners overtime ban begins. Warring factions in Lebanon hold national reconciliation conference in Geneva. Gulf Co-operation Council Foreign Ministers meet in Doha to prepare for six-nation summit meeting (until November 2). Mercury make High Court appeal for an injunction against the POEU.

TUESDAY: Confederation of British Industry publishes industrial trends survey for October. Harland and Wolff announces co-operation deal with Japanese shipbuilding company. Institute of Directors issues survey of business opinion. Mr Nicholas Ridley, Transport Secretary, attends Chartered Institute of Transport luncheon at Connaught Rooms, Great Queen Street, WC2.

WEDNESDAY: UK official reserves for October. Capital issues and redemptions (during the month of October). Advance energy statistics for September. Unions meet management in Newcastle to discuss British Shipbuilders' survival plan. President Reagan starts Asian tour. South African whites vote on new constitution.

THURSDAY: Housing starts and completions (September). Provisional unemployment and unfilled vacancies in October. General Council of British Shipping replies to N.U.S. pay claim. Mr Peter Walker, Energy Minister, starts five-day visit to China. Foreign Ministers representing the Lebanon peace force meet in Paris.

FRIDAY: EEC Energy and Industry Councils meet in Brussels. Final car and commercial vehicle production (September). Trade Ministers of major Western countries meet in Lausanne to find ways to boost world commerce (until November 6).

LONDON TRADED OPTIONS

Option	Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
Brit. Petroleum (*410)						
360	58	—	—	3	—	—
390	36	46	56	9	17	24
420	15	26	34	26	36	40
460	4	14	20	58	62	64
Cons. Goldfields (*468)						
460	42	64	74	25	36	42
500	28	44	54	50	60	65
550	13	27	—	92	100	—
600	4	12	—	140	145	—
650	2	6	—	190	195	—
Courtaulds (*90)						
75	19	—	—	2	—	—
86	10	—	—	3½	—	—
90	—	11	13	—	6	8
96	5	—	—	10	—	—
100	—	5½	7½	—	14	16
110	2½	3	—	21	23	—
Commercial Union (*160)						
140	26	29	31	4	5	8
160	11	15	18	10	16	18
180	4½	6	9	25	30	32
G.E.C. (*186)						
180	18	26	34	8	11	14
200	8	16	20	20	22	24
220	5	10	—	37	37	—
240	2	5	—	56	56	—
260	1	—	—	—	—	—
Grand Met. (*313)						
300	30	38	50	10	14	17
330	13	25	33	26	32	35
360	4	10	—	50	53	—
390	2	4	—	80	80	—
I.C.I. (*570)						
420	160	—	—	2	—	—
460	120	—	—	3	—	—
500	82	88	—	4	9	—
550	46	50	62	14	26	32
600	19	28	38	42	52	62
Land Securities (*323)						
280	47	52	—	2	4	—
300	29	37	44	7	10	12
330	12	20	25	18	22	27
Marks & Spencer (*205)						
180	33	37	—	3	4	—
200	17	21	26	8	12	15
220	6	11	15	21	24	27
Shell Transport (*552)						
460	95	—	—	3	—	—
500	50	60	72	9	12	16
550	20	30	38	30	34	40
600	6	16	22	72	76	80
650	3	7	—	120	124	—

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*422)						
420	20	37	47	13	23	32
460	6	18	27	45	50	55
500	1	7	12	85	85	87
550	1	2	5	—	134	134
Imperial Group (*131)						
110	22	24	26	1	1½	2½
120	12	15	18	1½	3	5
130	4½	8	10½	5	6	9
LASMO (*258)						
300	6	15	27	45	50	52
330	2	8	15	75	77	78
360	3	5	9	105	105	105
390	1	3	5	135	135	135
Lonrho (*95)						
90	8	12	14	2	3½	4
100	2½	6½	7½	7	10	11
110	0¾	3	4½	16	17	18
P. & O. (*224)						
180	46	49	—	1	2	—
200	26	31	40	2	3	4
220	10	19	27	5	9	11
240	3	10	17	22	26	27
Racal (*202)						
180	26	36	40	4	7	9
200	10	22	24	8	12	16
230	1½	5	11	30	30	32
260	1	3	6	2	50	—
R.T.Z. (*562)						
500	65	80	—	2	10	—
533	37	60	—	9	20	—
550	27	50	67	17	33	40
583	17	32	—	37	47	—
600	7½	23	40	52	50	65
650	1½	11	20	95	97	100
700	1	5	10	145	147	147
Vaal Reefs (*$95)						
100	3½	9	12½	9½	14½	17½
110	1½	6	8½	17	20½	24
120	0½	4	5½	26	28½	30½
130	0½	2	3½	35½	36½	37½
140	0¼	1	2½	45½	46	46½

Option	Calls Dec.	Calls Mar.	Calls Jun.	Puts Dec.	Puts Mar.	Puts Jun.
Beecham (*301)						
300	18	30	40	14	17	25
330	9	15	25	35	40	43
355	3	6	—	55	60	—
Bass (*301)						
300	18	24	34	14	18	21
330	4	10	17	36	40	44
De Beers ($*745)						
750	45	68	80	38	47	60
800	20	36	60	65	75	90
850	12	25	35	105	115	125
900	4	12	25	155	165	175
Guest Keen (*157)						
160	—	17	22	—	13	15
175	4	—	—	20	—	—
180	—	9	14	—	25	27
200	2	4	—	46	45	—
Hanson (*207)						
200	15	21	29	7	9	13
220	5	9	17	16	21	25
Tesco (*167)						
150	19	24	28	7	11	13
180	7	12	17	18	20	23

Oct. 28. Total Contracts 1,917. Calls 1,004. Puts 913
* Underlying security price.

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

† Bargains at special prices. ◆ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

[illegible]

COMMONWEALTH GOVT.

[illegible]

FOREIGN STOCKS

(coupons payable London)

[illegible]

CORPORATIONS-FOREIGN

[illegible]

BANKS, DISCOUNT

[illegible]

BREWERIES

[illegible]

COMMERCIAL, INDUSTRIAL

A—B

Atlantic Computers (10p) 282 3 (26/10). New (10p Fp/La-2/12/83) 285 7 8 95
Audio Fidelity (10p) 18
Automated Security (Hldgs) 8pcLn 1990-95 £246½ 52 (26/10)
Automotive Prods 10.4pcDb 1996-2001 £93¼ 4
Avon Rubber 6¼pc1stDb 1983-88 £82 (25/10)
Ayrshire Metal Prods (25p) 27 7 8 8
B.A.T. Stores 7½pcLn 2003-08 £70 (26/10)
BBA Gp 5pcPf (£1) 32 (26/10)
BICC 6pc1stPf (£1) 52 (25/10). 5½pc 2ndPf (£1) 50½ (21/10). 6½pcDb 1981-86 £88½ (26/10). 7pcDb 1985-90 £78½. 7¾pcDb 1993-95 £77½ 8
BMC 6pcLn 1998-2003 £45½. 7½pcLn 1987-92 £64½. 8pcLn 1998-2003 £61. 7½pcLn 1982-87 £77
BOC Gp 2.8pc 2ndPf 36. 2.5pc2ndPf (£1) 46 (24/10). 6¼pcDb 1985-90 £86½ (25/10). 9pcTonnageDb 1988 £97½ (25/10). 9pcTonnage Db 1990 £9 (26/10). 11½pcTonnageDb 1992 £103 (25/10). 12¼pcLn 2012-17 £98¼
BPB Inds 7¼pcDb 1986-91 £77 (26/10). 10¼pcDb 1994-99 £93½
B.P.M. Hldgs Non-V B (25p) 98 106 (26/10)

[illegible]

C—D

[illegible]

Dunbar (Walter) Goodricke (£1) 595
Dunlop Hldgs 5½pcPf (£1) 37 (26/10). 6½pcDb 1985-90 £76 7pcDb 1978-93 £71 7½pcDb 1985-93 £82½ (24/10)
Duport 3½pc2ndPf (£1) 32 (25/10)

E—F

EIS Grp 5pcPf (£1) 38 (25/10). 8pcLn 1986-91 £72 (26/10)
ERF (Hldgs) 10pcPf (£1) 58 (24/10)
Early's Witney 6pcPf (£1) 38 (24/10)
Elbar Ind (50p) 50 (21/10)
Electro-Protective 7pcPf ($1) 110
Elleroad Mill 30
Elliott (B.) 3.15pcPf 200p (£1) 30
Elys (Wimbledon) 233 (24/10)
Empire Stores (Bradford) 8½pcDb 1991-96 £82½ (25/10)
English China Clays 7¼pcDb 1987-92 £78. 7pcLn 1998-2003 £64½
English Electric 5½pcDb 1979-84 £94½ 6 (26/10). 6¼pcDb 1984-89 £82½ 3 3½ (25/10) 7pcDb 1986-91 £79½ 80 ¼
Excalibur Jewellery (5p) 8 ½ (25/10). 11.5pcPf (£1) 76
FMC 5.45pcPf (£1) 40 (26/10)
Fairview Estates 13.85pcFstMtDb 2000-03 £113 (26/10)
Ferranti 5.6pc1stPf (£1) 67 (21/10)
Fine Spinners Doublers 4pc1stDb £32 (24/10)
Finlay (James) 5pc2ndPf (£1) 57½ (26/10)
Fisons 6½pcDb 1984-89 £79 (26/10). 5½pcLn 2004-09 £33 (25/10)
Fobel Intnl 8pcLn 1978-93 £84 (25/10)
Folkes (John) Hefo (5p) 15 6
Ford Intnl Capital 6pcLn 1981-87 £107½ 9. 7½pcLn 1982-86 £142 (25/10)
Forminster 11pcPf (£1) 118½ 4 (25/10)
Forte Hldgs 7.7pcDb 1985-90 £82½ 3½
Fortnum Mason (£1) £12½ (21/10)
Foseco Minsep 4½pcPf (£1) 49. 8½pc2nd Pf 105 (25/10) 13pcLn 1990-95 £101

[illegible]

G—H

[illegible]

I—J—K

[illegible]

L—M

[illegible]

N—O—P

[illegible]

Q—R—S

Quick (H. J.) Grp 10pcPf (£1) 83 (25/10)
R.F.D. Grp 5½pcPf (£1) 32 (24/10)
RHP Grp 7pcPf (£1) 45 (26/10)
Radio Rentals (Hldgs) 6¼pcLn 1983-88 £79 (26/10)
Rank Organisation 6¼pcPf (£1) 55 (25/10). 8pcPf (£1) 69. 5½pcLn 1990-95 £59½ (24/10). 6pcLn 1983-88 £80 (26/10). 8pcLn 1988-93 £73. 10¼pcLn 1997-2002 £83 ½ ¾ 4
Rank Precision Inds (Hldgs) 7½pcDb 1986-91 £78 (25/10)

[illegible]

T—U—V

[illegible]

W—Y—Z

[illegible]

FINANCIAL TRUSTS

[illegible]

INSURANCE

[illegible]

INVESTMENT TRUSTS

British Inv Tst 5¼pcPf £47. 4pcDb 1976-84 £99¼ (25/10)
Brunner Inv Tst 4pcDb 1979-84 £97½
C.S.C. Inv Tst 111 (24/10)
Construction Hldgs (20p) 270 (24/10)
Drayton Consolidated Tst 3.5pcPf £46 (25/10). 7½pcLn 1993 £170 (26/10)
Drayton Premier Inv Tst 7½pcLn 1993 £186 (25/10)
Edinburgh American Assets Tst. 8pcLn 1973-88 (£1) 68½ 90
Edinburgh Inv Tst Wts to sub 25. 3.65pc Pf £45½
English and Scottish Investors B 103
English National Inv 90◆

[illegible]

MINES-MISCELLANEOUS

[illegible]

MINES-SOUTH AFRICAN

[illegible]

OIL

[illegible]

PROPERTY

Arndale Property Tst 6¼pcLn 1984-89 £77 (26/10)
Bampton Hldgs 8¼pcLn 2002-07 £70
Barranquilla Invst 7¼pcDb 1986-91 £78½ (21/10)
British Land 15pcDb 1987 £109¼ (25/10) 12pcLn 2002 £290 1 302
Brixton Estate 7¼pcDb 1987-1992 £79 (25/10)
Capital Counties 4.2pcPf (£1) 48½. 6¼pc Db 1994-99 £65¼ (25/10). 6¾pcDb 1995-2000 £64¼ (24/10). 9¼pcLn 1991-96 £88¼ ½
Centrovincial Estate 6¼pcLn 1988-93 £62½

[illegible]

PLANTATIONS

[illegible]

RAILWAYS

[illegible]

SHIPPING

[illegible]

UTILITIES

[illegible]

WATER WORKS

[illegible]

Sunderland & South Shields Water 3.5pc £37. 6.5pcPf 1989 £11½ 24. 7pcDb 1986-88 £81½
West Hampshire Water 3.5pc £37½ (21/10)
Wrexham East Denb Water 3½pcDb £27 (21/10)
York Water 3.5pc £38 (28/10)

UNLISTED SECURITIES MARKET

A and M Hire (10p) 21½ 2 ¼
Acorn Computer Grp New (1p) 102-3 5
Berkeley Hay Hill Inv (10p) 11
Biomechanics Intnl (10p) 72 3 5 ½ ¼
Central Independent Television (50p) 162
Chemical Methods Assoc. Inc 70 2 (25/10)
Cliff Oil 8 53 5 (26/10)
Cobra Emerald Mines 107 8 10 1½
D.J. Security Alarms (10p) 87 8 9 90 1 3 (26/10)
Edinburgh Fund Managers New (5p) 77 8½ 8 ½ ¾ 9 80
Eldridge Pope A (Rest. Vtg.) (£1) 700◆
First Talisman Inv (20p) 28
Flextech (10p) 136 41½ 1 2½. New (10p) 137 8 41½
Freshbake Foods Grp (5p) 71 2 3
Fuller Smith Turner A (£1) 460
Gilbert House Inv (10p) 21½ 2

[illegible]

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

[illegible]

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

[illegible]

Cooper Resources 9½ 5 10 (25/10)
Cray Research £32½ (24/10)
Daimler-Benz (DM 50) £179◆ DM 689 (25/10)
Data Corp (nt transfer) 37½ 8 (24/10)
Data General Corp £44¼ (26/10)
Dayton-Hudson Corp US$37
Development Bk Singapore 273◆ 80 7
Digital Equmt £65¾
Disney (Walt) Prods £40¾ 1¼ (26/10)
Dome Mines 870◆
Dresser Inds £13¾ (26/10)
Duff Dees Berhad 120 (21/10)
Dunlop Olympic 80◆ (21/10)
Du Pont (E. I.) de Nemours £35 (26/10)
E.Z. Industries 320 2 (25/10)
East Coast Minerals 4½ (26/10)
Eastern Pet Australia 20◆ ½◆ 10
Eastman Kodak £45¼
Elf Aquitaine FFr 167.03◆ £14.35 (21/10)
Emerson Electric £40¾
Ensearch £40¾
Eurocan Ventures 38 (24/10)
Falconbridge US$70
Ferrovanadium Corp 41◆
First Pacific Hldgs 31 (26/10)
First Pacific Intersand 17
Forsyth Oil and Gas 12◆ (26/10)
Gem Exploration, Minerals 40½ (21/10)
General Oriental 385 401½ 72
Georgia-Pacific Corp £15½
Getty Oil £45 (25/10)
Global Natural Resources 373◆ 5
Greenvale Mining (A$0.05) (26/10)
Harwill Inv $C7.25◆?
Hartogen Energy 160◆
Hawk Hotels 21 (24/10)
Hecla Mining $US18¾
Heinz (H. J.) £23¾◆
Henderson Land Development 6½ (21/10)
Hewlett-Packard £26½◆ (26/10)
Hill 50 Gold Mines 28 (26/10)
Hong Kong and Kowloon Wharf and Godown 290 (24/10)
Hooker Corp 75 7 (25/10)
Hong Kong Electric H-ldgs 48 ½
Hospital Corp of America $U.S.42◆ £27½
Indian Ocean Resources (1982) 54 6
Intnl Harvester $75◆ (25/10)
International Paper £35 (25/10)
Ivanhoe Gold 9¾◆ ½ (26/10)
Jardine Securities 510 6 (26/10)
Jingellic Minerals 55 (24/10)
Johnson and Johnson £29½
Jones Mining (A$0.20) 46
K Mart Corp £24◆ (26/10)
Kerr Addison Mines £15 (24/10)
Kia-Ora Gold 11½◆ ¼ ¾ 12
Kuala Sidim Rubber 130 5 (25/10)
Kulim Malaysia 90◆ 10 (21/10)
Lac Minerals $15◆ 16
Lightning Ridge Mining 3½◆
Litton Industries £39½ (21/10)
Matsushita Electric Industrial 481◆ (24/10)
McCarthy Group 205 (25/10)
Meridian Oil 11◆
Metramar Minerals 30 2 (26/10)
Midepsa Inc 27 (24/10)
Monarch Petroleum 7¼ ½
Mount Carrington Mines 74◆ 4
Murphy Oil Corp £21½
Myer Emporium 102
N.Z. Forest Products 208◆ (26/10)
Nationale-Nederlanden £39¾◆ (26/10)
Pearl River Corp 12½

[illegible]

Pecos Resources 325 (26/10)
Pessiro Inc £21½ (24/10)
Phelps Dodge £15¾◆ ¼ (26/10)
Phillips Petroleum £20 (21/10)
Pioneer Concrete Services 105 (26/10)
Pittston £10¾ (24/10)
Placer Development $U.S.18◆
Poseidon 257 8-9 60
Prime Computer 987½ (25/10)
Proctor and Gamble £37½ (26/10)
Project Oil Exploration 30 (26/10)
Queen Margaret Gold Mines 18½
Raytheon £29¼
Rollins Inc £11½ (21/10)
Royex Sturgex Mining 340
Samantha Exploration 43 5 8½
Selangor Coconuts 115◆ (21/10)
Sharp Corp 345◆
Siemens $U.S.147 9½
Singapore Fodder 67◆ (26/10)
Smith (Howard) 212
Smithkline Beckman Corp £43½
Snap-on Tools Corp £19¾ (26/10)
Sons of Gwalia 42
Southern Goldfields 17 ½
Spargos Exploration 20 ½
Standard Oil of California £23¾◆ (26/10)
Standard Oil of Ohio £35¼◆ ¼ (26/10)
Stauffer Chemical £17¾ (24/10)
Steep Rock Resources 430 (25/10)
Stirling Petroleum 3½
Super Valu Stores $U.S.33½◆ (24/10)
Sun Ior Oil £23¾◆ $U.S.35¼◆ 50 ¼◆ (24/10)
Swire Pacific 8 19
Sydney Oil 50½ (25/10)
Syntex Corp £40 (26/10)
Tandy Corp £24½ (26/10)
Target Petroleum Ord 25 (26/10)
Target Petroleum (A$0.15) 13 (25/10)
Teck Corp B 550 60
Texas Oil and Gas $U.S.44½◆
Timor Oil 4
Trans World Corp £20½ (21/10)
Tri-Continental Corp £16½
Umal Cons 136 (24/10)
Unidev 20 1
United Overseas Bank 170 (26/10)
Valiant Consolidated 19 (20/10)
Vereeniging Refractories 385◆ 95◆ (24/10)
Volkswagenwerk AG DM225.50 225 (21/10)
Walhalla Resources 110◆ (25/10)
Walker (Hiram) Resources £14◆ 60 13½
Wang Laboratories B £20¼ ¾
Waste Management £28½ (21/10)
West Coast Transmission 790
West Jay Petroleums 35 (25/10)
Western Resources 190 (25/10)
Western Union Corp £23 (26/10)
Westfield Minerals 112½ 13½ 15 (24/10)
Westmex 11½◆ (26/10)
Wheelock Marden B 11◆ (25/10)
Windsor Resources 25
Woolworths ($A0.50) 148◆
World Intnl (Hldgs) 11½◆ (25/10)
Zone Petroleum 150 5 (24/10)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Bryson Oil and Gas (20p) 190 1 5 (25/10)
Kelmore Oil Exploration 167 (21/50)

(By permission of the Stock Exchange Council)

Authorised Units—continued

[illegible]

Offshore and Overseas—continued

[illegible]

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Mgd Cur Fd	96.8	102.0	+0.1	—

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.

T-G Am	$22.24	...	—
T-G Money	$21.68	...	—
T-G E'bond	$15.39	...	—
T-G Com	$20.91	...	—
T-G Mort	C$20.08	...	—
T-G O'seas	$12.55	...	—
T-G Pacific	Y2.034	...	—
T-G Wall St	$26.01	...	—

United Fund Managers Ltd

[illegible]

Insurances—continued

[illegible]

FOREIGN EXCHANGES

Dollar firm

The dollar finished the week on a firm note, showing little reaction to the rise of 0.9 per cent in U.S. leading indicators, which continued to indicate strong economic recovery, and was in line with expectations. The September trade figures and M1 money supply had not been announced when the European market closed, but the dollar was in good demand, after a fairly indifferent and mixed start to the day.

The invasion of Grenada and the problems of the Middle East continued to underpin the currency, but trading was nervous ahead of the money supply announcement because of recent very inaccurate forecasts. The dollar rose to DM 2.6215 from DM 2.6180 against the D-mark; SwFr 2.1310 from SwFr 2.1230 against the Swiss franc; Y232.70 from Y232.55 in terms of the Japanese yen; and FFr 7.9925 from FFr 7.9850 against the French franc.

The dollar's trade-weighted index on Bank of England figures fell to 126.2 from 126.4, and sterling's index was unchanged at 83.5, after opening at 83.4, and rising to 83.5 at noon.

The pound recovered Thursday's late losses on rumours of buying from behind the Iron Curtain. It opened at $1.4910-1.4920, and moved within a range of $1.4900-1.4990, before closing at $1.4950-1.4960, a rise of 15 points on the day. Sterling also improved to DM 3.9225 from DM 3.9125; FFr 11.9350 from FFr 11.9250; SwFr 3.19 from SwFr 3.1725; and Y348.25 from Y347.50.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9002	+2.23	+1.79	±1.5447
Danish Krone ...	8.14104	8.14442	+0.04	−0.40	±1.6425
German D-Mark	2.24184	2.25577	+0.62	+0.18	±1.0642
French Franc ...	6.87456	6.87382	−0.01	−0.45	±1.4062
Dutch Guilder ...	2.52595	2.53102	+0.20	−0.24	±1.4964
Irish Punt	0.72569	0.726881	+0.16	−0.28	±1.6699
Italian Lira	1403.49	1373.43	−2.14	−2.14	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Oct 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4900-1.4990	1.4950-1.4960	0.03-0.08c dis	−0.44	0.16-0.21dis	−0.49
Canada	1.8365-1.8455	1.8420-1.8430	0.03c pm-0.07dis	−0.13	0.03-0.13dis	−0.17
Nethlnd.	4.37-4.41	4.39½-4.40½	1½-1c pm	3.41	3⅝-3⅛ pm	3.07
Belgium	79.35-79.80	79.60-79.70	8c pm-2 dis	0.45	par-10 dis	−0.25
Denmark	14.08¾-14.17½	14.15-14.16	¼-1¼ore dis	−0.63	3.75-4.90dis	−1.22
Ireland	1.2520-1.2660	1.2635-1.2645	0.30-0.40p dis	−3.32	0.95-1.05dis	−3.16
W. Ger.	3.89½-3.93	3.91¾-3.92¾	1⅛-1⅞pf pm	3.44	3½-3 pm	3.31
Portugal	185.50-187.00	186.50-187.00	195-445c dis	−20.56	690-1300dis	−21.31
Spain	226.00-227.50	226.70-227.00	230-280c dis	−13.49	735-855dis	−14.02

THE DOLLAR SPOT AND FORWARD

Oct 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4900-1.4990	1.4950-1.4960	0.03-0.08c dis	−0.44	0.16-0.21dis	−0.49
Ireland†	1.1810-1.1885	1.1815-1.1825	0.30-0.26c pm	2.83	0.84-0.77 pm	2.71
Canada	1.2320-1.2325	1.2320-1.2325	0.05-0.08c pm	0.39	0.12-0.09 pm	0.34
Nethlnd.	2.9300-2.9420	2.9400-2.9420	0.93-0.83c pm	3.60	2.65-2.55 pm	3.54
Belgium	53.20-53.30	53.24-53.26	4½-3c pm	0.84	4-1 pm	0.19
Denmark	9.4340-9.4750	9.4675-9.4725	¼ore pm-¼ dis	—	1½-2 dis	−0.74
W. Ger.	2.6100-2.6250	2.6210-2.6220	0.87-0.82pf pm	3.88	2.52-2.47 pm	3.82
Portugal	124.50-125.00	124.70-125.00	130-290c dis	−20.18	450-850dis	−20.82
Spain	151.65-152.00	151.90-152.00	140-175c dis	−12.45	470-540dis	−13.30
Italy	1592-1593½	1592-1593	9½-10lire dis	−7.35	30¾-31½ dis	−7.82

Belgian rate is for convertible francs. Financial franc 53.80-53.95. †UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

EXCHANGE CROSS RATES

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

Day-to-day credit remained in short supply in the London money market yesterday, and the Bank of England gave total assistance of £440m on a forecast shortage of £400m.

Exchequer transactions added £68m to market liquidity, and banks brought forward above target balances of £37m. These were outweighed by bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills amounting to £265m, while a rise in the note circulation drained another £232m.

Before lunch the authorities bought £227m bills by way of £5m bank bills in band 1 (up to 14 days maturity) at 9 1/16 per cent; £10m Treasury bills in band 2 (15-33 days) at 9 per cent; £90m bank bills in band 2 at 9 per cent; £44m bank bills in band 3 (34-63 days) at 8 15/16 per cent; and £78m bank bills in band 4 (64-91 days) at 8⅞ per cent.

In the afternoon another £203m bills were purchased through £4m bank bills in band 1 at 9 1/16 per cent; £39m bank bills in band 2 at 9 per cent; £104m bank bills in band 3 at 8 15/16 per cent; £32m Treasury bills in band 4 at 8⅞ per cent; a

LONDON MONEY RATES

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4 1983 (inclusive): 9.719 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10¾ per cent; four years 11 per cent; five years 11 per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 9 per cent; four months' trade bills 9 3/16 per cent.

Approximate selling for one-month Treasury bills 9 per cent; two months 8 15/16 per cent; three months 8 7/8 per cent. Approximate selling rate for one-month bank bills 9 per cent; two months 9 per cent and three months 8 15/16 per cent; trade bills one month 9 27/32 per cent; two months 9 15/32 per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent from October 1 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 5½ per cent.

Treasury Bills: Average tender rates of discount 8.8307 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-12 months 10 per cent. Under £100,000 9¼ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 28	Short term
Sterling	9⅛-9¼
U.S. Dollar	9¼-9½
Can. Dollar	8½-9
D. Guilder	5¾-5⅞
S. Franc	32-34
Deutschm'rk	5½-5⅝
Fr'nch Franc	11⅞-12⅛
Italian Lira	14¾-15¾
Belg. Franc	
Conv	8½-9
Fin	9¾-9
Yen	6 1/16-6 3/16
D. Krone	11-11½
Asia $ (Sing.)	9⅝-9⅞

OTHER CURRENCIES

Oct. 28	£	$		£ Note Rates
Argentina Peso	23.19-23.26	15.51-154	Austria	27.35-27.65
Australia Dollar	1.6370-1.6290	1.0890-1.0890	Belgium	
Brazil Cruzeiro	1,223.3-1,230.1	818.0-822.0	Denmark	
Finland Markka	8.4550-8.4785	5.6560-5.6590	France	
Greek Drachma	140.15-140.46	93.30-93.70	Germany	
Hong Kong Dollar	11.651⅛-11.671⅛	7.7975-7.8025	Italy	
Iran Rial	129.80*	86.80*	Japan	

* Selling rates.

FT LONDON INTERBANK FIXING

(11.00 a.m. OCTOBER 28)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 9/16	offer 9 11/16	bid 9 11/16	offer 9 13/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

REVIEW OF THE WEEK

World metal markets remain under pressure

BY OUR COMMODITIES STAFF

THE DEPTH of the depression currently gripping the world metal market was illustrated this week by the failure of the crises in the Lebanon and Grenada to produce the usual bullish price response.

Threats of war, however remote, can normally be expected to lead to an upsurge in world metal markets but this week's news was not even enough to prevent a further slump in the prices of leading metals.

On the London bullion market cash silver ended 32.35p down at 602.15p a troy ounce, despite rising 26.35p yesterday, and on the London Metal Exchange cash high grade coper fell £29 to £936.50 a tonne.

The silver fall, which at one point took the price to the lowest level since November 1982, was influenced by rumours that Peru and Mexico might be forced to step up sales to help cover growing international debts. The main factor, however, remained disappointment that the U.S. recovery has not boosted silver demand as much as anticipated.

Copper rallied too yesterday after slipping to new 10-months lows level. Market sentiment is gloomy also largely due to lack of demand, as illustrated by a further rise in LME warehouse stocks last week to a new five-year high. Slack demand forced a general 2 cents a lb cut in producer prices to 68 cents this week and yesterday Kennecott, the biggest producer, trimmed another 2 cents off its price to 66 cents a lb.

Copper's decline was followed by the lead market with cash metal ending £7.75 down at £280.50 a tonne. This fall was also encouraged by a smaller-than-expected reduction in LME stocks last week. Shipments across the Atlantic, attracted by higher U.S. prices, had been expected to result in a 20,000 tonnes stocks fall but the published figure was down only 6.350 tonnes. Another disappointment was Asarco's decision to cut its U.S. lead price back to 25 cents a lb.

The general depression even overcame the relative buoyancy which has distinguished the zinc market in recent weeks. In spite of news that U.S. producers, lead by Amax, had raised their selling prices 3 cents to 49c a lb cash metal finished the week £10 down at 595.50 a tonne.

Soft (non-metal) commodities generally ended the week lower. The biggest fall, in percentage terms, was on the sugar market, where sellers continued to be encouraged by signs that the current season's world production shortfall will be smaller than anticipated earlier in the year. The London daily raw sugar price finished the week £14.50 down at £144 a tonne and on the futures market the March position reached a 6-month low before rallying £3.30 yesterday to end £12.675 lower on the week at £162.325 a tonne.

On the coffee market meanwhile the recent price upsurge ran out of steam. Continued speculative buying pushed the January quotation up to a 7-month high of £1,911 a tonne in mid-week but in the absence of fresh fundamental news to sustain the rise the price fell back to end the week £54.50 down at £1,846 a tonne.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £935.50, three months £957, 57.50, 57, 56.50, 57, 57.50. Cathodes: cash £919: 19.50, 20, 21. Kerb: higher grade: three months £957, 56, 55. Afternoon: higher grade: cash £936.50, three months £958, 57.50, 57. Cathodes: three months £939. Kerb: higher grade: three months £957, 58, 57, 56, 56.50. Turnover: 15,400 tonnes.

£1,083.50, 64, 64.50, 64, 61, 60, 58, 58.50, 59. Turnover: 11,225 tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1037-.5	+16.7	1035.5-6.5	+7
3 months	1063-.5	+17	1061.5-2	+6.25

GRAINS

Business done—Wheat: Nov 120.70-20.45, Jan 124.40-23.70, Mar 127.00-26.90, May untraded, July 132.15 only. Sept untraded. Sales: 248 lots of 100 tonnes. Barley: Nov 116.40-16.20, Jan 119.90-19.80, Mar 122.85-22.70, May 124.80-24.75. Sept untraded. Sales: 193 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark

INDICES

FINANCIAL TIMES

Oct. 28	Oct. 27	M'th ago	Y'ar ago
284.89	283.71	288.14	227.18

(Base: July 1 1952=100)

REUTERS

LONDON OIL SPOT PRICES

	Latest	+ or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.55-28.65	−0.05
Iranian Light	27.95-28.05	—
Arabian Heavy	26.55-26.65	−0.05
North Sea (Forties)	29.50-	−0.02
North Sea (Brent)	29.60-29.70	−0.05
African (Bonny L'ght)	29.75-29.90	−0.06
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	292-298	+1.5
Gas oil	251-258	+1.0
Heavy fuel oil	170-174	−0.5

GAS OIL FUTURES

GOLD MARKETS

Gold rose $3 to close at $386¼-387 on the London bullion market. It also opened at $386¼-387, following a recovery of the metal in New York and Hong Kong overnight. Gold was fixed at $387¼ in the morning, and $387¾ in the afternoon, touching a low of $386¼-386¾, and a peak of $388¼-388¾.

LONDON FUTURES

AMERICAN MARKETS

NEW YORK, October 28.

Copper prices finished strong on arbitrage buying and week-end profit-taking. Heating oil prices were moderately higher on indications of an escalating conflict between Iran and Iraq. Cotton prices sold off fractionally in a consolidating market with trade hedging offset by technical buying. Sugar was featureless but found support at unchanged levels following the recent sharp drop. Cocoa prices finished especially higher on trade support while the lack of fresh news discouraged commission houses from any participation. Coffee prices remained under technical selling pressure after the opening quotes failed to meet expectations of further advances. Precious metals had a very active day with silver providing the leadership in the process of bargain hunting. Peruvian sales appear to have been absorbed in the market activating renewed commission house interest on the long side. Soyabeans closed in anticipation of sizeable deliveries on Monday. Maize and wheat markets found steady support in what is basically a very bullish psychology, reports Heinold Commodities.

NEW YORK

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	80.22	80.44	79.95	80.20
March	81.37	81.55	81.15	81.30
May	82.00	82.15	81.80	81.90
July	82.00	82.10	81.95	82.10
Oct	76.35	76.50	76.45	76.45
Dec	74.97	75.20	74.95	75.00

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	9.18	9.29	9.10	[illegible]
March	9.66	9.75	9.64	[illegible]
May	10.03	10.12	10.00	[illegible]
July	10.35	10.42	10.30	[illegible]
Sept	10.60	10.61	10.53	[illegible]
Oct	10.77	10.84	10.73	[illegible]
Jan	10.91	10.95	10.95	[illegible]

CHICAGO

SPOT PRICES—Chicago loose lard 18.50 (same) cents per pound. New York tin 597.00-603.00 (598.00-602.00) cents per pound.

THE Trade Department yesterday warned that illegal use of radio amplifiers, "burners," to steal petrol by disrupting sensitive monitoring equipment on garage forecourts could cause an explosion. The fraud involves decelerating the monitoring equipment which shows the amount of petrol and its cost.

MARKET REPORT

Drab session ends with equity leaders above lowest

More Government funding in gilts

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 17	Oct 27	Oct 28	Nov 7
Oct 31	Nov 10	Nov 11	Nov 21
Nov 14	Nov 24	Nov 25	Dec 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

International uncertainties and market technical influences exerted pressure on London equities yesterday, the last day of the current trading Account. "New-time" interest was stifled because potential investors looked nervously towards the tense situations in both the Middle East and the Caribbean. With no real incentive either on the domestic front, now that ICI's figures are out of the way, leading shares drifted down on end-Account profit-taking and dealer book-squaring.

The FT Industrial Ordinary share index was virtually unchanged at 10 am, but thereafter it went progressively lower to stand 5.8 down at 3 pm. After the official 3.30 pm close, however, when business is allowed without penalty for the trading Account starting on Monday, the tone brightened considerably and the index finally reduced its loss to one of 2.9 at 691.1: on the week the measure was a marginal 1.3 higher.

ICI continued to claim a large share of equity interest. A generally encouraging city appraisal of the third-quarter figures ensured a firm opening, but ICI eased to 568p before rebounding sharply after-hours' on renewed U.S. buying to close a net 4 up, and 28 higher on the week, at 580p: the results were regarded as a good prelude to the group's listing on the New York Stock Exchange next Tuesday which coincides with the chairman's promotional tour of the U.S. ICI have been actively bought by American investors over the past six months and some 10 per cent of the group's equity is in U.S. hands.

Properties, this week's most interesting sector, continued to attract both genuine investment funds and business of a more speculative nature. Publicity given to net asset values, yields and the general underperformance of the sector has encouraged revived institutional support, while recently increased flow of bids or possible mergers has whetted speculative appetites.

Stores, the other corner of the market to shine this week on hopes of a significant increase in Christmas consumer spending, improved initially but later succumbed to profit-taking and closed easier. Several share placings were effected quietly, the largest comprising 4m shares of Beecham at 295p.

Gilts experienced the quietest session of the week. Institutional activity, which revived earlier in the week when prospects of lower inflation drew attention to the attractive yields currently being offered, was non-existent yesterday.

Many small investors also held off, concerned by the recent uncertain performance of the U.S. bond market. The announcement of a new long tap was also thought possible. Shortly after the official 3.30 pm close, new Government funding was announced but in the shape of two tranches, totalling £250m of existing low-coupon specialist stocks. These comprised £100m of Treasury 3 per cent 1986 and £150m of Exchequer 2½ per cent 1987. When dealings resumed after the usual recess, short- and longer-dated gilts tended to improve on their 3.30 gains, which rarely exceeded ⅛.

Insurances drift

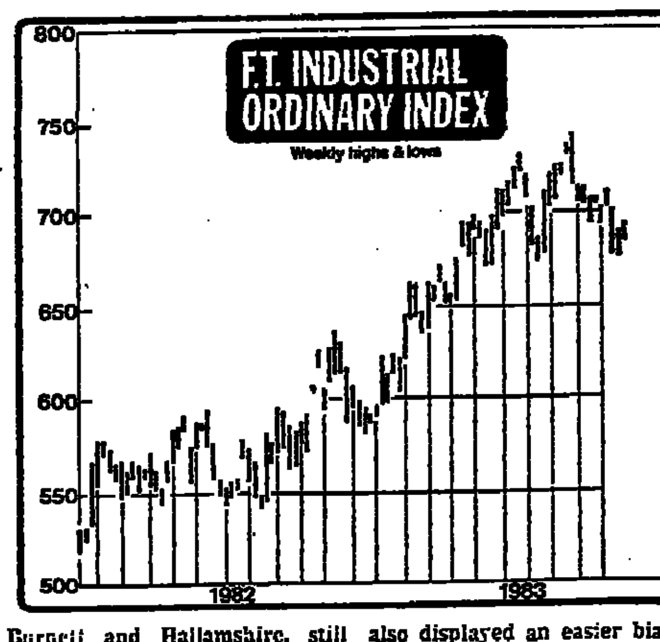
Subject still to talk that a brokers' defence committee was being formed to fight the Allianz bid, Eagle Star ran into profit-taking and reacted to 522p before steadying to close only 7 down on balance at 528p. Other Composite Insurance traded in lethargic fashion, Royals easing 5 to 475p and Commercial Union softening a couple of pence to 159p. Life issues also finished lower where changed. Legal and General, 456p, Hambro Life, 412p, and Sun Life, 540p, all shed 4. Lloyds broker Hogg Robinson, the subject of considerable speculative activity earlier in the week, slipped to 122p before late demand brought a close of 2 up on balance at 128p.

World debt problems continued to inhibit interest in the major clearing banks. Scrappy selling left Lloyds 10 lower at 433p and Midland a like amount down at 373p. Barclays gave up 8 at 422p, but NatWest were more resilient and finished only 3 cheaper at 580p. Elsewhere, speculative counter First National Finance shed 1½ to 61½p on end-Account influences.

Breweries failed to attract follow-through support and prices were marked steadily lower at dealers attempted to establish a trading level. Grand Metropolitan, 313p, lost 7 of Thursday's rise of 9, while Scottish and Newcastle gave up a couple of pence at 90p. Bass, up to 308p at one stage, closed a net 2 lower at 303p. Wines and Spirits were more resilient with Distillers ending a penny up at 223p. A good turnover was reported in Highland Distillers, which firmed to 93p before reverting to the overnight 92p: the company revealed excellent full-year results earlier in the week.

Buildings made another irregular showing. Blue Circle slipped to 400p before closing only a couple of pence cheaper on balance at 403p, following the group's latest rationalisation proposals involving the loss of 550 jobs. Ibstock Johnsen, however, gained 9 to 165p on revived bid hopes, while George Wimpey firmed 5 to 127p reflecting the company's property interests. Burnett and Hallamshire, still nervous about the recent reappraisal of the company's trading prospects, shed 12 to a new low of 173p for a fall on the week of 92; the mid-term report is due around the middle of next month. French Kerr hardened a couple of pence following a broker's circular, while Glossop added 3 to 63p on Press suggestions of a possible bid from Tarmac. Among Timbers, further support was forthcoming for Magnet and Southerns which rose 8 to 160p. Elsewhere, Helical Bar continued to reflect the poor interim results and shed 4 to 71p for a fall on the week of 17. Pochins gave up 15 to 205p on lack of interest.

Movements among Chemicals were confined to a few pence either way. Laporte softened 3 to 287p and Allied Colloids lost a similar amount to 252p, but Scottish Agricultural Industries, a thin market, improved 5 to 288p.



Profit-taking in Stores

A couple of pence firmer at the outset, reflecting continued optimism about consumer spending trends, leading Stores encountered sporadic profit-taking and drifted lower. However, institutional support revived after the "house" close and final movements were restricted to a few pence either way. House of Fraser, down to 222p initially, rallied to close 2 up on balance at 226p, while Gussies A finished only 3 off at 570p, after 563p, thereby retaining a gain of 32 on the week. Marks and Spencer eased the turn to 207p awaiting next Wednesday's interim statement.

Similar conditions prevailed among secondary Stores. Grattan rose 2 to 52p, while fresh buying interest left W.W. 4 dearer at 134p. Currys closed 5 off at 323p, and other electrical retailers also displayed an easier bias. E. Upton shed 4 at 44p following the increased first-half loss.

Shoes closed firmer for choice. Revived support in a thin market lifted Stylo 7 to 140p, while FII and Garnar Booth hardened a couple of pence to 109p, and 87p respectively, the last-mentioned aided by a broker's "buy" recommendation. Strong and Fisher, a buoyant market of late, eased a penny at 77p; the preliminary results are scheduled for Monday.

Leading Electricals passed another rather uninspiring session, movements worthy of note being confined to secondary issues. Pressac, still reflecting good preliminary figures announced recently, advanced 5 to 139p. Security Tag rallied 20 more to 420p, while Electro Protective firmed 6 to 148p. Memory Computer, 235p, and Microlease, 185p, firmed 5 apiece.

Apart from Hawker, which eased 6 to 300p on scattered profit-taking after Thursday's strength, falls in the Engineering leaders were limited to a couple of pence. Elsewhere, Burgess Products dipped 10 to 47p on the reduced dividend and annual loss, but J. Saville Gordon, hardened 3 to 61p in response to the encouraging tenor of the chairman's annual statement. Haden featured with a rise of 13 to 203p on reports of a broker's visit to the company, while Chemring rallied 20 to 560p. Revived selling made for marked dullness in Matthew Hall, which dipped 12 to 216p. Others to give ground included Simon, 6 off at 337p, and Pegler Hattersley, 7 down at 250p. Hopkinsons, in contrast, improved 5 to 104p reflecting the increased interim profits and proposed one-for-one scrip issue.

Food Retailers drew fresh support on Christmas spending hopes. Associated Dairies firmed 6 to 176p and Bejam gained 4 to 154p, while Kwik Save improved 5 to 325p and Argyll 3 to 136p. Albert Fisher, after touching 57p on the return to profitability and acquisition of Long Group, a food distribution company, for £1.4m, drifted back to close a penny cheaper on balance at 54p. FMC held at 48p following the agreed 49p per share bid from Hillsdown. Elsewhere, flour millers Thomas Robinson ran into demand and put on 3 at 35p.

Savoy A gained 10 to 290p, after 292p, and the B rose 10 points to £60 following excellent half-yearly results and the Board's confident statement about second-half prospects.

Beecham-placing

Leading Miscellaneous Industrials rarely strayed from previous closing levels. Beecham held up well at 303p, down 2, despite yesterday's large share placing. Boots eased to 161p in company with the general round of profit-taking in Store shares, but recovered to close only 2 cheaper on balance at 166p. Cole Group responded to the increased interim dividend and profits with a rise of 8 at 140p, while the half-year profits recovery left Aero Needles a couple of pence higher at 25p. AGB Research firmed 10 to 300p helped by news of the company's agreement to acquire a majority holding in Information and Analysis Inc. In contrast, Highgate Optical, a dull market since this week's boardroom changes, fell 6 more to 101p. Fresh selling in a restricted market left Ricardo down 15 further at 410p, while De La Rue gave up 10 more to a low for the year of 520p. Other dull spots included Hanson Trust, 5 off at 205p, and Granada "A," 4 cheaper at 148p.

Worries about the package holiday price war continued to weigh on Horizon Travel, which shed 2 to a 1983 low of 118p. Barr and Wallace Arnold Trust "A" met with fairly persistent small selling and gave up 5 at 96p. Elsewhere in the Leisure sector, Pineapple Dance Studios eased 3 to 125p: the preliminary results are due next Wednesday. Intervision Video, however, with annual results scheduled for next Thursday, closed a penny better at 31p, after 29p. Among television issues, Ulster TV jumped 8 to 103p following the good preliminary profits and increased dividend.

Company trading statements enlivened otherwise dull Publishing / Printing sector. Websters rose 4 to 104p on the sharply increased first-half earnings, while Sir Joseph Causton, which revealed a similarly pleasing set of interim results, improved a like amount to 63p.

Properties ended an eventful week on a slightly quieter note. After extending Thursday gains, the leaders tended to drift back in the absence of follow-through support. Land Securities finished a penny off at 322p, after 327p, but retained a gain on the week of 11. MEPC settled 3 dearer at 233p, after 235p, while Peachey, after touching a 1983 peak of 176p, finished a couple of pence better at 175p. Hammerson "A" held a gain of 10 at a year's high of 765p, while Churchbury Estates rose 15 to 560p. Of the trio currently engaged in merger discussions, Slough Estates hardened a penny to 108p. Guildhall Property gained 5 to 140p and Allnatt London Properties touched 233p before closing a net 5 up at 230p. Elsewhere, Daejan continued to attract support and rose 4 more to 164p, while Lynton gained 8 to 248p and Mountleigh 5 to 190p.

Ocean Transport attracted a lively business on revived take-over hopes and rose 5 to 100p, after 102p, while P & O Deferred hardened a couple of pence to 223p. Milford Docks gained the turn to 67p, the increased first-half deficit being annulled as a trading influence by the chairman's confident view on current trading.

South African industrials turned reactionary owing to the recent shake-out in gold mining issues. Barlow Rand shed 15 to 705p, while South African Breweries closed 9 lower at 428p.

Irish Oils active

The recent revival in speculative Irish oils continued with Atlantic Resources moving ahead strongly to close 70 higher at 705p and Aran 8 up at 56p, after 58p. Leading Oils, in contrast, made another drab showing against a backdrop of continuing worries about a world oil glut. Shell gave up 6 more to 532p and BP were similarly lower at 410p. Tricentrol closed 2 lower at 192p following confirmation of the £14m North Sea deal and the company's statement that although it has adequate lines of credit to finance this acquisition, it is also considering other means of raising the necessary finance.

Golds steadier

Mining markets ended a generally depressing week on a much steadier note. The recent weakness in precious metal prices seemed to have run its course and the London bullion price edged up to close $3 firmer at $388.625 an ounce, but left a week's decline of around $7.25.

The Gold sharemarket, which fell sharply on Wednesday and Thursday, moved narrowly before closing a fraction lower on balance although a number of the leading issues, particularly hard-hit in the recent decline, managed to record modest overall gains.

The Gold Mines index showed a 2.5 loss at 475.8, extending the fall on the week to one of 40.2.

Prominent among the leading heavyweights yesterday were Randfontein, £1¼ up at £70¼, and Hartebeest and Western Deep which rallied ¾ apiece at £36¾ and £29¾ respectively.

South African Financials remained a weak market although Gold Fields of South Africa, heavily sold along with Golds earlier in the week, rallied sharply to close £2½ firmer at £63, after touching a year's low of £60½, ahead of Monday's share split.

Transvaal Consolidated Land came under considerable pressure and dropped £2 to a 1983 low of £22 despite the sharply increased profits and dividend.

London-registered Financials were easier at the outset but rallied strongly in the after-hours business. Consolidated Gold Fields were a notable feature in late trading, as the strong rise in GFSA encouraged similar buying which lifted the former some 10 to 473p.

Platinums provided a feature in Lydenburg which moved up 6 to 495p owing to Johannesburg support.

Recent weakness in Australia's Peko-Wallsend was followed by the announcement of a A$49.3m (£30.8m) rights issue, the terms of which are one-for-six at A$4.25 (about 266p) a share; existing shares eased 2 to 374p.

Among the Golds North Kalgurli gave up 2 to 59p following the results for the first quarter.

CRA were a notable firm feature, the leaders closing 10 better at 332p. MIM edged up 3 to 220p.

Activity in Traded Options declined slightly with 1,917 deals struck, with business almost equally divided between calls and puts. The week's daily average, boosted by the expiry of the October series on Wednesday, amounted to 2,812. A good two-way trade developed in Lasmo which recorded 147 calls and 121 puts, while relative newcomer Tesco were again to the fore, reflecting interest ahead of interim results expected next month, and attracted 135 calls, 100 of which were transacted in the December 180's.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Oct 28 1983: Index No., Day's Change %, Est. Earnings Yield % (Max.), Gross Div. Yield % (ACT at 30%), Est. P/E Ratio (Net); Thur Oct 27; Wed Oct 26; Tues Oct 25; Mon Oct 24; Year ago (approx.); Highs and Lows Index (1983 High, Low; Since Compilation High, Low)
1 CAPITAL GOODS (205)	[illegible]
2 Building Materials (23)	[illegible]
3 Contracting, Construction (29)	[illegible]
4 Electricals (30)	[illegible]
5 Engineering Contractors (10)	[illegible]
6 Mechanical Engineering (70)	[illegible]
8 Metals and Metal Forming (9)	[illegible]
9 Motors (18)	[illegible]
10 Other Industrial Materials (20)	[illegible]
21 CONSUMER GROUP (198)	[illegible]
22 Brewers and Distillers (23)	[illegible]
25 Food Manufacturing (22)	[illegible]
26 Food Retailing (13)	[illegible]
27 Health and Household Products (9)	[illegible]
29 Leisure (23)	[illegible]
31 Newspapers, Publishing (12)	[illegible]
32 Packaging and Paper (14)	[illegible]
34 Stores (47)	[illegible]
35 Textiles (23)	[illegible]
36 Tobacco (3)	[illegible]
39 Other Consumer (9)	[illegible]
41 OTHER GROUPS (84)	[illegible]
42 Chemicals (15)	[illegible]
44 Office Equipment (6)	[illegible]
45 Shipping and Transport (13)	[illegible]
46 Miscellaneous (49)	[illegible]
49 INDUSTRIAL GROUP (485)	[illegible]
51 Oils (15)	[illegible]
59 500 SHARE INDEX (500)	[illegible]
61 FINANCIAL GROUP (124)	[illegible]
62 Banks (6)	[illegible]
63 Discount Houses (8)	[illegible]
65 Insurance (Life) (9)	[illegible]
66 Insurance (Composite) (10)	[illegible]
67 Insurance Brokers (7)	[illegible]
68 Merchant Banks (12)	[illegible]
69 Property (54)	[illegible]
70 Other Financial (18)	[illegible]
71 Investment Trusts (109)	[illegible]
81 Mining Finance (4)	[illegible]
91 Overseas Traders (14)	[illegible]
99 ALL-SHARE INDEX (750)	[illegible]

FIXED INTEREST

PRICE INDICES	Fri Oct 28	Day's change %	Thur Oct 27	xd adj. today	xd adj. 1983 to date
British Government 1 5 years	[illegible]				
2 5-15 years	[illegible]				
3 Over 15 years	[illegible]				
4 Irredeemables	[illegible]				
5 All stocks	[illegible]				
6 Debentures & Loans	[illegible]				
7 Preference	[illegible]				

AVERAGE GROSS REDEMPTION YIELDS	Fri Oct 28	Thur Oct 27	Year ago (approx.)	1983 Highs	1983 Lows
British Government 1 Low 5 years	[illegible]				
2 Coupons 15 years	[illegible]				
3 25 years	[illegible]				
4 Medium 5 years	[illegible]				
5 Coupons 15 years	[illegible]				
6 25 years	[illegible]				
7 High 5 years	[illegible]				
8 Coupons 15 years	[illegible]				
9 25 years	[illegible]				
10 Irredeemables	[illegible]				
11 Debs & Loans 5 years	[illegible]				
12 15 years	[illegible]				
13 25 years	[illegible]				
14 Preference	[illegible]				

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Products	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p. CONSTITUENT CHANGE: Sotheby Park Bernet Group (46) has been deleted and replaced by Oxford Instruments Group (4).

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (30)

BRITISH FUNDS (1)
Treas. 8½pc '84-86

CORPORATION LOANS (3)
L'pool 9½pc '80-84; London Corp. 9½pc 1984-85; Do. 3½pc Irred.; Do. 3½pc Irred.

COM'WEALTH & AFRICAN LOANS (1)
Aust. 6pc 1981-83

AMERICANS (2)
Gen. Foods Corp.; Gulf Oil

BUILDINGS (1)
Howard Shuttering

CHEMICALS (2)
Hoechst Ag.; Scot. Agricultural

ELECTRICALS (1)
Pressac

ENGINEERING (1)
Saville Gordon (J.)

FOODS (2)
Glass Glover; Mattesons Brands Inc.

HOTELS (1)
Savoy A

INDUSTRIALS (4)
Morgan Crucible; Williams (J.); Rexmore

MOTORS (1)
Honda Motor

PROPERTY (5)
Allnatt London; Estates Prop. Inv.; Hammerson A; Lynton; Peachey; Prop. Sec. Inv.

TEXTILES (1)
Sirdar

TRUSTS (1)
Akroyd & Smithers

OILS (2)
Atlantic Res.; Warrior Res.; Invent Energy

NEW LOWS (62)

AMERICANS (1)
Lone Star

BREWERS (2)
Greene King; Young Brew. A

BUILDINGS (2)
Burnett & Hallam.; Lilley (F. J. C.)

CHEMICALS (1)
Internatl. Paint

STORES (1)
Melhus

ELECTRICALS (3)
Bowthorpe; Mnemos; Crystalate

ENGINEERING (3)
Greenbank Indl.; Redman Heenan; Priest (Ben.)

FOODS (2)
Brit. Vending; Fallon's Stores A

INDUSTRIALS (7)
Burco Dean; Hanson Trust; Rexmore; Sirdar; Bunzl; Pulp; Reed Intl.

LEISURE (1)
Horizon Travel

MOTORS (2)
Davis (Godfrey); Harrison (T. C.)

PROPERTY (1)
Edmond Hldgs.

SHIPPING (1)
Lyle Shipping

TEXTILES (2)
Martin (A.); Miller (F.)

TRUSTS (1)
Archimedes Cap.

OILS (4)
K.C.A. Drilling; Silkolene; Tri-Basin Res.; Wortham Pets.

MINES (28)
Durban Deep; East Rand Prop.; Simmer & Jack; Cons. Modderfontein; Grootvlei; Kloof; Leslie; Marievale; S. African Land; Blyvoor; Deelkraal; Doornfontein; Southvaal; Stilfontein; Transvaal Cons.; Vaal Reefs; Western Areas; Zandpan; F.S. Geduld; Harmony; Pres. Brand; Welkom; Western Hldgs.; Gold Fields S.A.; Rustenburg; Lydenburg; Northgate Explrn.

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
ICI	112	576	+18	Hawker Siddly.	15	306	−1
Mks. & Spncr.	20	209	+5	London Brick	15	102	−1
BAT Industries	19	535	+15	Gerford-Lilley	14	73	[illegible]
Eagle Star	19	535	+5	Tricentrol	14	194	−12
Grand Met.	18	320	+9	Cbl. & W'less	13	280	−5
BSR Internatnl.	17	171	+8	GUS "A"	13	573	+5
Sound Diffusion	17	178	+8	RTZ	13	560	−20

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
ICI	112	576	+18	Hogg Robinson	67	126	+8
Eagle Star	77	535	−3	GEC	65	188	−2
Burn. & Hallam.	73	185	−105	Glaxo	64	732	+8
Grand Met.	71	320	+19	BAT Industries	59	535	+14
Mks. & Spncr.	71	208	+10	Beecham	59	305	[illegible]
RTZ	69	580	−30	BTR	59	520	[illegible]
Cbl. & W'less	67	280	−33	Shell Transport	58	538	−26

FINANCIAL TIMES STOCK INDICES

	Oct. 28	Oct. 27	Oct. 26	Oct. 25	Oct. 24	Oct. 21	Year ago
Government Secs.	81.70	[illegible]					
Fixed Interest	85.16	[illegible]					
Industrial Ord.	691.1	[illegible]					
Gold Mines	475.8	[illegible]					
Ord. Div. Yield	[illegible]						
Earnings, Yld.% (full)	[illegible]						
P/E Ratio (net)	[illegible]						
Total bargains	[illegible]						
Equity turnover £m.	[illegible]						
Equity bargains	[illegible]						
Shares traded (mln)	[illegible]						

[illegible] Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-246 8026. Nil = 12.08.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.80	77.06	127.4	49.18
Fixed Int.	85.16	79.05	150.4	50.53
Ind. Ord.	740.4	598.4	740.4	49.4
Gold Mines	734.7	476.8	734.7	43.5

S.E. ACTIVITY

	Oct. 27	Oct. 26
Daily Gilt Edged Bargains	[illegible]	[illegible]
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]
5-day Avrge Gilt Edged Bargains	[illegible]	[illegible]
Equities Bargains	[illegible]	[illegible]
Value	[illegible]	[illegible]

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, October 27, 1983.

Newspapers, Publishing	+49.88	All-Share Index	+13.16
Other Industrial Materials	+42.87	Mining Finance	+12.18
Chemicals	+42.28	Food Retailing	+11.72
Motors	+38.76	500 Share Index	+11.12
Shipping and Transport	+37.38	Industrial Group	+7.46
Packaging and Paper	+35.13	Consumer Group	+7.03
Oils	+32.88	Health and Household Products	+6.82
Other Consumers	+29.16	Stores	+5.37
Other Groups	+28.71	Building Materials	+5.39
Insurance (Composite)	+27.67	Food Manufacturing	+5.16
Insurance (Life)	+23.79	Discount Houses	+3.73
Office Equipment	+22.46	Metals and Metal Forming	+3.08
Merchant Banks	+21.90	Tobacco	+1.47
Financial Group	+20.37	Capital Goods	+0.48
Overseas Traders	+19.87	Brewers and Distillers	−2.80
Leisure	+19.64	Mechanical Engineering	−3.77
Investment Trusts	+18.35	Engineering Contractors	−3.96
Textiles	+18.28	Electricals	−7.37
Banks	+17.27	Contracting, Construction	−8.58
Property	+16.32	Gold Mines Index	−14.05
Insurance Brokers	+16.31		

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 10	Oct 21	Jan 12	Jan 23
Oct 24	Nov 4	Jan 26	Feb 6
Nov 7	Nov 18	Feb 9	Feb 20

For rate indications see end of Share Information Service

Calls were arranged in London Brick, Argyle Trust, Aran Energy, BSR, Emray, Burco Dean, Rotaprint, Ventergent, London and Liverpool, Union Discount, SGB, W. H. Smith A, Conex, Helical Bar, Eglinton, Alexanders Discount, Inter-City, International Petroleum and Combined Technologies. Puts were completed in Mellins Tozer Kemsley and Millbourn and London Brick. The latter was also dealt in for the double.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	38	73	83	166	183	126
Corpns. Dom. and Foreign Bonds	19	5	48	83	30	242
Industrials	197	330	871	1,117	1,355	4,064
Financial and Props.	118	76	328	590	403	1,612
Oils	18	27	49	96	130	254
Plantations	3	1	17	6	19	80
Mines	27	61	80	270	173	387
Others	35	79	84	243	329	381
Totals	439	681	1,535	2,881	2,641	7,658

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Aran Energy	56	+8	Ibstock Johnsen	165	+9
Atlantic Res.	705	+70	ICI	580	+4
Cons. Gold Fields	473	+10	Land Securities	322	−1
Eagle Star	528	−7	Ocean Transport	100	+5
Gold Fields SA	£63	+2½	Wimpey (Geo.)	127	+5
Highland Distillers	92	—	Peko-Wallsend	374	−2

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]							

[illegible] Renunciation date usually last day for dealing free of stamp duty. ... based on prospectus estimate ... [illegible]

هكذا من الأصل

Record first half profits for Fanuc

By Our Tokyo Staff

FANUC, JAPAN'S leading maker of robots, has reported record pre-tax profits and sales for its first half to September. Parent company net profits rose strongly to Y8.7bn ($37.4m) against Y7.6bn previously. An unchanged interim dividend of Y6.50 is being paid.

Pre-tax profits were up 21.4 per cent at Y19.2bn, from Y15.8bn, and sales rose to Y52.2bn from Y43.8bn—an increase of just over 19 per cent.

Sales of the company's numerically controlled (NC) systems rose in line with the overall turnover to account for 88 per cent of the total. There were particularly strong sales of the smaller NC machine tool systems for office automation and VCR equipment assembly.

Fanuc's sales of robots to its joint-venture company with General Motors of the U.S., called GM Fanuc Robotics, also [increased], with the company's exports growing by 19.9 per cent to account for 34.9 per cent of turnover.

In the second half to March 1984 the company is forecasting continuing growth in robot sales to the joint venture. Pre-tax profits are expected to reach a record Y38.5bn, with the net also up, by 12 per cent, to Y17.5bn. Sales are forecast as reaching Y105bn—a 27 per cent increase.

The joint-venture company has announced that plans to build a head office in Detroit, originally due to have started in September of this year, have been postponed until May 1985.

● Hitachi Maxell, the magnetic tape manufacturer, said its net parent company income for the six months to September fell by 9.6 per cent to Y8.05bn, reports AP-DJ from Tokyo.

Sales rose marginally to Y73.5bn with exports falling by 3.5 per cent to Y40.5bn and sales of magnetic tapes down to Y60.6bn to account for 82.5 per cent of turnover.

The company has raised its interim dividend to Y7.75 from Y6.75 and is paying an additional, but unchanged, extraordinary dividend of Y0.5.

NEC raises net by 32% and plans higher spending

BY YOKO SHIBATA IN TOKYO

NIPPON ELECTRIC (NEC), the largest manufacturer of semi-conductors in the world after Texas Instruments, has reported strong growth in both profits and sales in the first six months to September.

Parent company net profits rose by almost 32 per cent to Y13.2bn ($56.7m) from Y10bn on sales of Y647bn, up 15.5 per cent from the previous comparable period's Y560bn. Pre-tax profits rose by more than 20 per cent to Y24.3bn.

The main contribution to the rise in sales was from exports of computer and electronic components — mainly centred on its 64k semi-conductor. Turnover in the computer and electronic systems division rose strongly, by 30.7 per cent, to 27.8 per cent of the total.

NEC, unlike either Fujitsu or Hitachi, the other leading Japanese computer manufacturers, does not produce IBM-compatible systems. Instead it has developed its own computers and software and its top-of-the-range supercomputer, the ACOS 1,000, is now to be marketed in the U.S. by Honeywell as part of an extensive marketing and technology exchange agreement.

Sales of electronic components were ahead by 12.9 per cent to account for 28.3 per cent of turnover.

To finance its semiconductor expansion plans NEC is to increase capital spending this year to Y120bn from the Y100bn originally planned.

The telecommunications equipment sector, NEC's traditional mainstay saw unexpectedly high sales, rising by over 10 per cent to 36.8 per cent of turnover. This was largely thanks to good sales of digital telephone switching systems for private users and for overseas customers. This made up for lower demand from the public sector in Japan.

For the current year, to March 1984, the company is forecasting continuing brisk sales of computers and electronic equipment. Pre-tax profits are seen as rising for the sixth successive year to a projected Y65bn, an increase of 25 per cent, with the net up by 20 per cent to Y32bn. Full year parent company sales are forecast at Y1,420bn, a rise of 13 per cent, and the company expects to increase its term-end dividend to Y7.5 from Y7.

Decline in earnings for Esab at nine months

BY DAVID BROWN IN STOCKHOLM

ESAB, the Swedish welding equipment company, has reported a 7.5 per cent fall in pre-tax profits to SKr 88m ($11.3m) for the first nine months ended September. The result was struck after an extraordinary loss of SKr 2m.

Invoiced sales were up 4 per cent to SKr 1.7bn and orders grew by 10 per cent to SKr 1.8bn.

The group experienced weak market conditions, especially in hand welding electrodes, during the early part of the year. This makes it unlikely that the group will reach its 1982 pre-tax results of SKr 160m this year, the report said.

Order intake has improved from the U.S., Italy, Holland and Belgium, but the market in Germany, France and Spain was said to be poor.

Last year, the group acquired UK market shares by buying the welding units of GKN and BOC. Welding machine production capacity has been closed at BOC's UK operation now called Murex. The companies are expected to become profitable by mid-1984 after completion of restructuring.

Investment in fixed assets climbed from SKr 35m to SKr 62m. Liquidity was down slightly, to SKr 147m.

Parent company sales and profits remained steady at SKr 532m and SKr 20m respectively.

● Asea, the Swedish electrical engineering and electronics group, has signed a letter of intent to purchase the remaining 50 per cent interest in a U.S. jointly-owned electrical equipment company, RTE-Asea, from its partner, RTE of the U.S., for an undisclosed sum.

Wisconsin-based RTE-Asea, had sales last year of SKr 343m ($44m) and pre-tax profits, after net financial items, of SKr 26.5m.

20-year FRN from Sweden

By Mary Ann Sieghart

SWEDEN IS tapping the Eurodollar floating rate note market with a $500m bond which, with a 20-year maturity, has the longest life in the FRN market's history.

The issue carries the sweetener, however, of optional redemption by the investor at par after 10 and 15 years. Led by Credit Suisse First Boston, it pays a coupon of ¼ point over the mean of the six-month London interbank bid and offered rates. It has a minimum coupon of 5¼ per cent and is priced at par.

Sweden broke Eurobond market records in January with what was then the biggest Eurobond issue — a $1bn floating rate note which was subsequently increased to $1.2bn because of strong market demand.

Yesterday's issue was also very well-received by the market, trading at a discount well within its selling concession.

Sharp rise in revenues at BMW

By John Davies in Frankfurt

BMW, the West German car and motorcycle maker, has reported a further strong increase in sales and in car production. At the same time, it has cautioned that union demands for a shorter working week may jeopardise plans to build a new car factory at Regensburg.

Group worldwide revenues reached DM 10.1bn in the first nine months of this year, up 18.3 per cent on the same period last year. Revenues of the Munich based parent company was up 21.8 per cent at DM 8.1bn.

Output and volume sales of cars rose by about 9 per cent to nearly 300,000 with demand continuing to exceed plant capacity.

Herr Eberhard von Kuenheim, the chief executive, gave no details of current profits, but predicted in an interim report to shareholders that results would be favourable.

In a separate statement, Herr von Kuenheim warned against the claim by IG Metall, the metal workers' union, for a cut in the working week from 40 to 35 hours.

He said a shorter week would add to production costs, and would endanger the plans for the Regensburg plant.

BMW has been planning car assembly in Regensburg from 1986 because its existing operations are straining at the seams to meet orders.

With the West German market picking up this year, BMW's domestic sales have risen by 21.3 per cent to 115,000 and its market share has gone up from 6 per cent to 6.4 per cent. Sales abroad rose by 1.7 per cent.

The motor cycle market continues to be weak, with BMW's sales down 12 per cent to 20,000, but the company has high hopes for the new models launched last month.

The BMW group's advance this year follows a 22 per cent rise in sales revenue last year, when profits also rose.

Bond pays C$150m for Sulpetro stake

BY ROBERT GIBBENS AND TERRY POVEY

Mr ALAN BOND, the Australian entrepreneur, has paid C$150m (US$122m) for a major stake in Sulpetro, a leading energy group based in Western Canada.

Earlier this week Mr Bond told of plan to make purchases in the oil and gas field to the value of "$300m to $400m" in the near future. He is believed to be planning at least one more total or partial acquisition in the U.S., Canada or the UK.

Sulpetro's board has accepted the offer from Bond Corporation Holdings, saying that it would relieve the financial pressure on the company arising from its purchase two years ago of Candel Oil for C$800m. Mr Bond has bought 10m shares in Sulpetro for C$7.50 each, plus a C$75m convertible debenture at 10 per cent interest.

In the year to October 1982, Sulpetro earned 90 per cent of its revenues (after royalties and taxes) from oil and gas sales. In the six months ended April it incurred a net loss of C$15.7m compared with a loss of C$26.5m in the comparable previous period.

Sulpetro has producing or exploration licences in Canada, the UK, New Zealand, Egypt, Australia, Ireland and the U.S., and has a 21.25 per cent holding in the International Energy Development Corporation of Zurich, which conducts exploratory drilling for oil and gas in many countries.

Tosco pulls out of the red

BY WILLIAM HALL IN NEW YORK

TOSCO, one of the biggest independent oil refiners in the U.S. which has been hard hit by a fierce price war on the West Coast, returned to profit in the third quarter, reporting net income of $1.6m or eight cents a share, but warns that it might have to take further write-offs in its final quarter. Profits in the third quarter of 1982 were $22.1m or $1.02 a share.

After writing off $220m on two refineries, in Oklahoma and California, which it has put up for sale, Tosco incurred a loss or $241m after tax credits in the first half of 1983. The latest small profit has reduced the losses for the nine months to $239.5m or $13.54 a share, which compares with net income of $129.4m or $5.73 in the same period last year.

The company has slimmed down its management team, is operating only two of its four refineries, and is discussing rescheduling of its bank debts of around $800m.

Tosco's revenues fell by 40 per cent to $539m in the latest quarter. Nine-month sales fell from $2.55bn to $2.01bn.

Strong advance by Alleghany

ALLEGHANY Corporation, which is in the process of selling its Investors Diversified Services (IDS) operation to American Express, increased its net income in the third quarter by 52 per cent to $16.3m, writes Our New York Staff.

IDS, a major mutual fund manager and insurance group, increased pre-tax earnings by 18.7 per cent to $19.4m in the latest quarter on revenues of $288.8m.

MSL Industries, the Alleghany subsidiary, which produces fabricated steel products, made a pre-tax profit of $2.2m, against a loss of $1m last year.

The group's earnings per share in the latest quarter totalled $1.67, against 99 cents and for the nine months earnings per share, before extraordinary items, totalled $3.91 compared with $4.28 in the first nine months of last year.

Hurricane claims hit Aetna

By Paul Taylor in New York

OPERATING EARNINGS a[t] Aetna Life and Casualty, th[e] biggest stock-holder owne[d] insurance company in the U.S. fell 17.4 per cent to $71m [in] the third quarter, mainl[y] reflecting claims arising fro[m] Hurricane Alicia.

The insurance giant, whic[h] earlier this year agreed unde[r] pressure from the Securitie[s] and Exchange Commission t[o] revise downwards its 198[2] earnings after an SEC rulin[g] on accounting procedures, sai[d] the third quarter operatin[g] earnings, before capital gains c[or] losses, was equivalent to 6[..] cents a share.

In the same period last yea[r] after restatement, the compan[y] reported operating earnings [of] $86m or 87 cents a share.

Aetna's final net incom[e] after capital gains, in the lat[est] period totalled $71.9m or [..] cents a share compared [to] $67.3m or 67 cents in the 198[2] quarter when earnings wer[e] reduced by $18m of realise[d] capital losses. The flat per shar[e] earnings reflect the issuance [of] additional shares between th[e] two quarters.

For the nine month perio[d] Aetna reported net earnings [of] $279.5m or $2.66 a share includ[-]ing realised capital gains [of] $23m compared to final n[et] earnings of $129.7m or $1.4[.] after realised capital losses [of] $40m.

KKR drops Hyster offer

By Our Financial Staff

KOHLBERG, KRAVIS, Robert[s], the U.S. leveraged buyou[t] specialists, have withdraw[n] their $63 a share offer fo[r] Hyster, the U.S. fork lift truc[k] manufacturer.

The move clears the way fo[r] a rival $69 a share bid fro[m] Esco, a private manufacturer [of] heavy equipment, which ow[ns] 19.7 per cent of Hyster. [A] special committee of Hyste[r] directors is evaluating the Esc[o] offer, which values Hyster a[t] $420.9m.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)

Duncan Lawrie Fnd. Mgrs. (g)

Guardian Royal Ex. Unit Mgrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

National Westminster (a)

Save & Prosper—continued

Tyndall Managers Ltd.(a)(b)(c)

INSURANCES

BRITISH FUNDS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100⅛	98⅝	Exch. 10pc 1983	100⅛	......	10.00	9.35
99¼	96½	Funding 5½pc '82-84‡‡	99⅛	......	5.55	9.36
101¼	99½	Exch. 11¼pc 1984	100⅝	−⅛	11.18	8.81
104⅜	100⅝	Exchequer 14pc 1984	102⅛xd	−⅛	13.65	9.29
96⅛	92½	Exch. 3pc 1984	96¼	......	3.12	9.15
102⅞	100⅜	Treasury 12pc 1984	102⅛	−⅛	11.74	9.24
107⅞	104⅞	Treasury 15pc 1985	105¼	+⅛	14.18	10.10
107	101⅛	Exch. 12pc Cnv. '85	102½	+⅛	11.71	10.00
93⅛	88⅝	Treasury 3pc 1985	93¼xd	......	3.22	7.79
102½	99⅜	Treasury 11½pc 1985	101⅞	......	11.28	10.17
102	95	Treas 8½pcCnv '85	97⅞	......	8.94	10.00
103⅝	100⅝	Exch. 12¼pc 1985	103¼xd	......	11.88	10.52
102⅝	99⅛	Exch. 11¾pc '86	102⅛	......	11.51	10.64
101¼	97¼	Treas 10pc Cnv 1986	99⅝	+⅛	10.03	10.08
88½	85⅝	Treasury 3pc 1986	88¼xd	......	3.40	8.26
101⅛	97⅛	Exch. 10½pc Cv '86	100⅛xd	−⅛	10.49	10.46
103⅞	100⅛	Treasury 12pc '86	102⅞	−⅛	11.68	10.73
95⅞	94⅜	Treasury 8¼pc '84-86‡‡	95⅛	+¼	8.88	10.32
114	103¼	Treas. 12¼pc '86 Cnv.	108⅛	+⅝	11.32	8.76
109⅛	105⅞	Exch. 14pc 1986	107⅞	−⅛	12.98	10.86
107¼	103⅝	Exch. 13¼pc 1987	105⅞	......	12.51	10.99
98⅞	95⅞	Tr 10¼pc Cv '87	98½	+⅛	10.41	10.80
84⅛	80¼	Exchequer 2½pc 1987	82⅞	+⅛	3.02	8.52
100⅛	95⅞	Exch. 10½pc 1987	98⅞	......	10.62	10.88
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS
Public Board and Ind.

[illegible]

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

Lloyds Life Assurance—cont.

Gartmore Funds—Series A

American Oct 25	172.9	182.0	.....	—
British Oct 25	125.4	132.0	.....	—
Commodity Oct 25	119.5	125.8	.....	—
Extra Inc Oct 25	112.6	118.6	.....	—
Far Eastern Oct 25	97.3	102.5	.....	—
High Inc Oct 25	109.2	115.0	.....	—
Income Oct 25	138.5	145.8	.....	—
Global Strategy Oct 25	165.8	174.6	.....	—
Special Sits Oct 25	124.8	131.4	.....	—
Gilt Oct 25	107.1	112.8	.....	—
Japan Oct 25	151.2	159.2	.....	—
UK Small Co's Oct 25	119.1	125.4	.....	—
Man Gwth Oct 25	144.7	152.4	.....	—
Austrla. Oct 25	107.9	113.6	.....	—
Oil & Energy Oct 25	115.4	121.5	.....	—
Gold Share Oct 18	76.3	80.4	.....	

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Agent Builder'	64.0	67.9	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading. 583511.

Money Mngr Oct 15	61.3	65.0	.....	—
MM Flexible Oct 6	52.3	55.2	.....	—
Fixed Interest Oct 1	54.7	57.7	.....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	284.1	—	+0.3	—
Invest. Tst. Fd. Acc.	301.2	—	+0.4	-12.4
Property Fund Cap.	117.4	—	+0.1	—
Property Fund Acc.	124.1	—	+0.1	-4.5
Flexible Fund Cap.	178.1	—	.....	—
Flexible Fund Acc.	188.2	—	.....	-4.5
Fixed Int. Fd. Cap.	140.2	—	.....	—
Fixed Int. Fd. Acc.	148.4	—	.....	—
Gtd. Deposit Fd. Cap.	139.1	—	+0.1	—
Gtd. Deposit Fd. Acc.	146.0	—	+0.1	—
Equity Fund Cap.	127.2	—	+0.6	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund	288.2	.....	—
Property Fund (A)	287.3	.....	—
Agricultural Fund	1,111.3	.....	—
Agric. Fund (A)	1,082.2	.....	—
Abbey Nat. Fund	227.9	.....	—
Abbey Nat. Fd. (A)	228.9	.....	—
Investment Fund	135.7	.....	—
Investment Fund (A)	132.7	.....	—
Equity Fund	395.0	-1.3	—
Equity Fund (A)	387.2	-1.3	—
Money Fund	216.5	.....	—
Money Fund (A)	212.6	.....	—
Actuarial Fund	218.6	.....	—
Gilt-edged Fund	190.7	+0.3	—
Gilt-Edged Fd. (A)	190.7	+0.3	—
Retire Annuity	354.0	.....	—
Immed. Ann'ty	193.8	.....	—
International Fd.	255.8	+1.9	—
Bldg. Soc. Life Fd.	104.5	.....	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	247.0	260.0	.....	—
Inv. Fd. Uts.		294.3	.....	—
Pension Fd. Uts.		252.7	.....	—
Conv. Pens. Fd.		297.7	.....	—
Cnv. Pns. Cap. Ut.		218.5	.....	—
Man. Pens. Fd.		321.9	.....	—
Man. Pens. Cap. Ut.		250.0	.....	—
Prop. Pens. Fd.		283.8	.....	—
Prop.Pens.Cap.Uts.		213.7	.....	—
Bldg. Soc. Pen. Ut.		253.5	.....	—
Bldg. Soc. Cap. Ut.		195.1	.....	—
Gilts Pens. Fd.		169.6	+0.2	—
Gilts Pens. Fd. Cap.		148.2	+0.1	—
Equity Pens. Fd.		240.1	-0.9	—
Equity Pens. Fd. Cap.		210.7	-0.7	—

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	182.9	108.6	.....	—
Fixed Interest Acc.	92.9	98.1	.....	—
Intnl. Acc.	79.4	83.6	.....	—
Managed Acc.	90.2	95.1	.....	—
Property Acc.	112.6	118.8	.....	—
Money Acc.	74.4	78.5	.....	—

OFFSHORE AND OVERSEAS

FINANCIAL TIMES
Saturday October 29 1983

MAN IN THE NEWS

Enigmatic man of Grenada

BY OUR FOREIGN STAFF

DESPITE the acres of newsprint devoted to him in this week of drama for Grenada, Sir Paul Scoon, the Grenadian born Governor-General, who is now being tipped to form a new government, remains the most enigmatic player.

Variously described by those who have met him as urbane, retiring and soft spoken, this career civil servant seemed unlikely to play a key role in the recent events.

A senior colleague who knew him well during his years as the deputy Director of the Commonwealth Foundation (1972-1978) said, "he is very retiring, very careful, and very very dignified."

She added that he took his job of Governor-General very seriously. "This enabled him to hold himself above politics." It possibly explains why Mr Maurice Bishop, the left-wing Prime Minister who was killed last week, kept him on after he deposed the eccentric, flying saucer enthusiast, Sir Eric

Sir Paul Scoon

Gairy, as Grenada's leader in 1979.

This picture of a quiet apolitical and neutral figure in Government House outside St George's, the capital, seems to square with what little detail has emerged about Sir Paul from the Caribbean and the Foreign Office in London. Paul Scoon was appointed Governor-General by the Queen in 1978 on the recommendation of the then Prime Minister Sir Eric Gairy. He was knighted in 1979.

He started his professional life as a teacher after being educated at schools in Grenada, the Institute of Education, Leeds in England, and finally Toronto University. After teaching he moved through a succession of Grenadian government posts ending up as Cabinet Secretary.

He is reported to be immensely popular in Grenada and is said to enjoy, in an unostentatious way, his chauffeur-driven car and his fine hilltop residence in St Paul, the affluent suburb of St George's

And yet for someone so ostensibly bland and above it all, he has shown a deft political touch.

It remains unclear whether Sir Paul attempted to contact the Queen, the British Government or the U.S. Administration before the invasion. Certainly, though, he did appeal for unspecified help through Eugenia Charles, the leader of Dominica. It is assumed he felt compelled to act because he found events in Grenada were getting out of control.

However he did survive the transition from Sir Eric Gairy to Mr Maurice Bishop, an almost 180-degree-turn in ideological terms. Reports that he has spent the better part of the past four years under house arrest because of Mr Bishop's displeasure now seem to be greatly exaggerated.

Whatever the reason Sir Paul decided to jump off the fence, it seems that he was within his constitutional rights in calling for foreign help.

He can now, legitimately, it seems, form an interim administration, with the idea of holding democratic elections at some future stage.

Sir Paul was due to give a speech to Grenadians at the weekend about his plans. This was postponed so we will have to wait to find out whether he will agree to reported U.S. requests to head a new government.

More than this, it will take some time before it emerges whether Sir Paul has transformed himself from a lifetime civil servant and government subordinate, into a central actor in the Grenada story.

Nothing in his history, however, suggests that he is about to become a political firebrand.

Shell depot pickets defy injunction

BY NICK GARNETT, NORTHERN CORRESPONDENT

PETROL DELIVERIES from Shell UK's major distribution terminal at Haydock, halfway between Liverpool and Manchester, were stopped again yesterday by picketing conducted in defiance of a High Court injunction.

An argument over whether writs had been properly served on two shop-stewards named in the injunction continued in a tangle of bizarre stories which included reports that the court documents had been "blown away by the wind."

Shell said the pay of the tanker-drivers at the depot had been stopped after they had failed to make a reasonable effort to work normally in the presence of more than 70 pickets from the company's Stanlow refinery.

Workers at the Cheshire refinery are on strike over a 4.5 per cent pay offer. Their dispute is now thought to have been made official by the Transport and General Workers Union.

Shop-stewards representing the tanker-drivers at Haydock disputed the company's version of events. They said they were prepared to drive the tankers but were refused job-sheets and simply told their pay was being stopped.

A second request by the stewards to allow the drivers to take the tankers at least to the picket line was refused. One steward said: "We offered to work but the plant manager refused to allow us to make the attempt. He argued it was too dangerous."

This action might exacerbate feelings among tanker-drivers at other Shell depots. On Monday they are due to receive the company's initial response to their pay claim.

Craftsmen at the company's Carrington chemicals site near Manchester voted yesterday to join the one-day strike next Tuesday. The action has been called by stewards at the company's refinery and chemicals sites, in support of workers at Stanlow and of a higher pay offer.

Members of the Transport Union at Carrington have voted not to join the stoppage.

In the High Court this week Mr Justice Drake granted to Shell an injunction under the Employment Act, 1980, aimed at stopping secondary picketing. The unions say the picketing is not secondary.

Shell said it was satisfied the writs had been served on the two men. Union representatives dispute this.

Whitehall 'should give Opposition policy aid'

By John Lloyd, Industrial Editor

CIVIL servants should be able to assist opposition parties frame policy, Sir Peter Carey, who recently retired as permanent secretary at the Department of Industry, said yesterday.

In a wide-ranging speech to the Industrial Society, Sir Peter referred to the brief periods which senior ministers spent in office and said that the Civil Service had to be "shaken out of its rut."

He partly agreed with criticisms of ministers and the Civil Service made last month by Sir John Hoskyns, a former head of the Prime Minister's policy unit. Sir Peter's remarks were however, much more temperate and he defended the continuity of policy which the British service provided.

The main burden of Sir Peter's critique concerned the ministerial office period — averaging no more than two years during his 10-year period at the Department of Industry. "I don't believe that to be an optimal system," he said.

"It must be clear that a minister coming fresh to a department, if he has an average of two years, is not going to be able to do all the things he wants to do nor all the things that he is expected to do."

His suggestion that opposition spokesmen and policy-makers should have access to civil servants while framing their manifestos was made as part of a general observation. Many manifesto commitments were shown to be unworkable or contradictory once the opposition party gained office, he said.

He did not favour a "department of the Opposition" — a suggestion of Sir John's — but said that access to civil servants on a confidential basis could answer much of that case.

However, he departed from Sir John's plea for more businessmen in government. Few couuld cope with the House of Commons, he said, and "there is not so much talent in British industry that it can be spared to do jobs others have been trained for."

His main criticism of the Civil Service was that it could be "too smooth" and that, without strong ministerial guidance, it could run along the same track indefinitely without producing its own dynamic for change.

The Civil Service machine had to be capable of changing in order to make the policy shifts demanded by new ministers. Its danger lay in developing "an emphasis of its own."

Sir Peter said he was very much in favour of merging the Departments of Trade and Industry but suggested that the retention of two permanent secretaries in the department was "not particularly sensible."

Quick work on Heathrow link

ONE-THIRD OF the tunnelling for London Transport's 3.5-mile tube loop to serve Terminal 4 at London Airport, Heathrow, has been completed only eight months after excavation work began.

Thyssen-Taywood, the contractor, is working from several construction sites at the airport. All tunnelling work is due to be completed by next summer.

Continued from Page 1

Kleinwort

a wide and informal one, offering practical advice both to ministers and to senior officials. He will be closely involved in the BT sale, especially in developing ideas to ensure the widest possible sale.

He developed a close relationship with Mr Patrick Jenkin, the Industry Secretary, before the last election, and is a keen admirer of Mr Tebbit whom he sees as a strong and decisive minister with a more practical bent than most senior politicians.

France to relax currency curbs

BY DAVID MARSH IN PARIS

FRANCE PLANS to abolish just before the Christmas holiday controversial restrictions on tourist spending abroad introduced in March as part of the French Government's austerity package.

Yesterday's official announcement, conforming to a much-repeated promise to phase out the measures at the end of the year, has been made possible by a sharp improvement in the French balance of payments position over the past few months.

From December 20, French citizens travelling abroad, will be bound only by the rules, previously in force for many years, limiting to FFr 5,000 (£420) the amount of money that individuals can take out on foreign journeys.

This will replace the March regulations which have rationed this year's foreign currency purchases to FFr 2,000 per person, with an extra FFr 1,000 allowed out in banknotes on each foreign trip.

Restrictions on the use of credit cards abroad will remain, although businessmen will continue to be allowed to use them, in line with the regulations since March. Other stringent foreign exchange controls stay in force.

M Roland Carraz, the Minister of Tourism, announced the ending of the restrictions at a travel agents' congress in Cannes. The move was welcomed by M Jean-Claude Murat, president of the national travel agents' association, as "good news for the French."

The introduction of controls in March sparked off angry reaction from holiday-makers, street protests from travel agents and a run on the banks to secure stocks of holiday spending money before the Government printed currency ration cards.

Partly because of the controls and partly because of this year's tax rises and cuts in living standards, French tourist spending abroad this year is estimated to have fallen by 15 to 20 per cent.

At the same time, an influx of foreign tourists—especially Americans—during the long hot summer has swollen France's tourist receipts.

Mainly as a result of a sharp recession - induced fall in France' visible trade deficit this year, the balance of payments on the current account has improved dramatically. Latest government figures show a small surplus of FFr 900m in the third quarter against a deficit of FFr 2.9bn in the second quarter and a shortfall of FFr 30bn in the first three months.

Australia acts on exchange rate

BY COLIN CHAPMAN IN SYDNEY

THE Australian Government is to alter the way in which the exchange rate of the Australian dollar is fixed. The move, effective from next Monday, is being made to discourage speculation, particularly from capital markets in Asia.

Mr Bob Hawke, Prime Minister, said the changes would give the private sector more responsibility in spot and forward foreign exchange transactions. Although the adjustments were largely technical, they should help moderate the volatility of day-to-day flows of funds, he said.

Until now Australia has had a "crowling peg" exchange rate fixed each weekday morning by Reserve Bank and Treasury officials against a trade-weighted basket of currencies. At the same time, the Bank has announced a rate for the Australian dollar against the U.S. dollar, and banks undertaking spot foreign exchange transactions in U.S. dollars have been required to deal within a fixed spread around that rate.

From Monday the U.S. dollar rate will be set at the end of the day instead of at 9.30 am, and the Reserve Bank will phase itself out of direct involvement in forward dealings.

Mr Hawke said the withdrawal of the Reserve Bank from the forward market would allow banks greater freedom to hold balances abroad and to borrow in order to match foreign exchange transactions. The measures would assist the development of a more efficient forward market.

Mr Paul Keating, Federal Treasurer, said speculative capital transactions based on exchange rate movements had been one element in recent heavy foreign currency inflows.

The move fell short of market demands for a free-floating exchange rate but it is an indication of the new Labor Government's readiness to respond to pressure.

Exchange rate policy has failed in recent months to stem capital inflow and bring the money supply under control. Monetary aggregates have been running above the 9 to 11 per cent target rise in M3 for the 12 months to next June.

As Mr Hawke pointed out, there had been speculation that the Government was allowing the exchange rate to be overvalued as an anti-inflation tool.

Continued from Page 1

Japanese VTR deal

reached agreement. It did not want simply to assemble Japanese kits but to produce entire video recorders "down to the last screw."

Matsushita said that it had received a joint approach "some time ago" from Philips and Grundig for permission to use the VHS system.

The Japanese organisation has had a long and close relationship with Philips through two joint venture companies. Philips is a major shareholder in the Matsushita Electronics Corporation, which produces semi-conductors and other components. The two companies are partners in a battery-making company in Belgium.

In Europe, Philips, in alliance with Grundig, retails only its own V2000 system, which has a European market share of between 15 and 20 per cent. The immense popuarity of VHS elsewhere has meant that no serious effort has been made to introduce the V2000 in other areas.

Japan's exports of VTRs to the European Community have risen sharply, but they levelled off this year as a result of the restraint agreement negotiated in February by the EEC Commission.

The agreement was designed to ensure that European makers could sell a minimum of 1.2m V2000s, with Japanese shipments being held to 4.55m this year. Actual sales of V2000s are believed to have fallen far below projected levels.

European Commission officials said of Matsushita's announcement: "Such a deal would be quite normal."

A new deal, however, would almost certainly increase pressure on the Commission to change the proportions of its quotas, so that any kits assembled in Europe would be given a larger role in the pattern of Japanese sales.

Any firm deal between Matsushita and the two European companies would be bad news for Sony of Japan, whose Betamax system is number two in the world market.

AP-DJ reports from Tokyo: Japan's exports of VTRs rose to a record monthly rate of 1.47m units last month. Exports during the month were 12.1 per cent higher than in August and nearly 21.8 per cent up on a year earlier.

Shipments to the U.S., at 541,900 units, rose by more than 77 per cent on the figure a year earlier and accounted for nearly 37 per cent of all units sent abroad. Exports to the EEC declined by 18.6 per cent to 457,921 units but they still accounted for about 31 per cent of all shipments.

Continued from Page 1

Shipbuilders face strike

Shipbuilders board member responsible for personnel and industrial relations, said later that the delegate conference decision came as no real surprise. He repeated the offer of self-financing productivity deals, but added "there can be no general wage increase."

Mr Phelps said a basic wage rise would lead to increased unit costs, further eroding British Shipbuilders' competitive position. Any form of industrial action would be "disastrous" in deterring potential customers. Both a basic rise and industrial action would cause more job losses.

Mr Phelps said a number of yards, such as Goole Shipbuilders, Henry Robb in Leith, Scotland, and Clelands Shipbuilders on the Tyne, were working on the last ship in their order book. A strike could prove fatal to them.

● British Shipbuilders emphasised yesterday that the proposed management buy-out of Tyne Shiprepair — rejected by the workforce by 7-1 — was the only alternative to closing the yard.

Weather

UK TODAY

DRY, fresh, sunny.

London, South England, E. Anglia, Midlands, Channel Isles
Dry, sunny periods. Icy with frost early and late. Max 10C (50F).

E. and N. England, Borders, Edinburgh and Dundee, Wales
Dry, sunny periods, becoming cloudy. Icy with frost early on. Max 10C (50F).

Lake District, Isle of Man, S.W. Scotland, N. Ireland
Mostly cloudy but mainly dry. Icy patches and early frost. Max 10C (50F).

Rest of Scotland
Mostly cloudy, drizzle on hills. Icy with fros at first. Windy. Max 10C (50F).

Outlook: Little change.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	19	66	Luxmbg.	S	9	48
Algiers	S	24	75	Madeira	C	21	70
Amsdm.	F	11	52	Madrid	—	—	—
Athens	C	17	63	Majorca	S	22	72
Bahrain	—	—	—	Malaga	C	21	70
Barclna.	S	21	70	Malta	S	20	68
Beirut	S	25	77	M'chstr	C	8	46
Belfast	F	8	46	Melbne.	F	9	46
Belgrd.	S	16	61	Mx. C.†	—	—	—
Berlin	C	10	50	Miami†	S	22	72
Biarritz	F	21	70	Milan	—	—	—
Bmghm.	F	9	48	Montrl †	C	4	39
Blackpl.	S	8	46	Moscow	F	11	52
Bombay	S	21	70	Munich	S	15	59
Bordx.	S	17	63	Nairobi	F	26	79
Boulgn.	F	9	48	Naples	S	20	68
Bristol	S	11	52	Nassau	—	—	—
Brussels	F	11	52	Nwcstl.	S	7	45
Budpst.	S	14	57	N Delhi	S	26	79
Cairo	S	31	88	N Yorkf	S	7	45
Cardiff	S	10	50	Nice	S	18	64
Cape T.	F	28	82	Nicosia	—	—	—
Chicg.†	S	11	52	Oporto	C	18	64
Cologne	R	8	47	Oslo	S	8	46
Conhgn.	F	10	50	Paris	C	11	52
Corfu	S	20	68	Peking	—	—	—
Dallas	S	8	46	Perth	C	19	66
Dublin	—	—	—	Prague	S	14	57
Dbrvnk.	C	19	66	Rykjvk.	F	4	39
Ednbgh.	S	7	45	Rhodes	T	14	57
Faro	R	17	63	Rio J'o	—	—	—
Florence	S	17	63	Rome	S	20	68
Frankft.	S	10	50	Salzbrg.	S	16	61
Geneva	S	12	54	S'ciscot	S	14	57
Gibrltr.	C	21	70	Singapr.	F	28	82
Gl'sg'w	F	8	46	S'vegot	—	—	—
G'rnsey	S	11	52	Stckhm.	S	6	43
Helsinki	Sl	6	43	Strsbg.	C	12	54
H. Kong	F	26	79	Sydney	C	26	82
Innsbrk.	S	13	55	Tangier	C	23	73
Invrns	C	5	41	Tel Aviv	S	28	82
I.o.Man	S	9	48	Tenerife	F	24	75
Istanbul	S	18	73	Tokyo	S	19	66
Jersey	C	11	52	T'r'nto†	S	9	48
Jo'burg	F	23	73	Tunis	F	21	70
L. Plms.	S	24	75	Valencia	S	22	72
Lisbon	R	16	61	Venice	S	15	59
Locarno	S	15	59	Vienna	S	15	59
London	S	10	50	Warsaw	S	14	57
L. Ang †	C	20	68	Zurich	C	12	54

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sl—Sleet. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Brokers look for a story

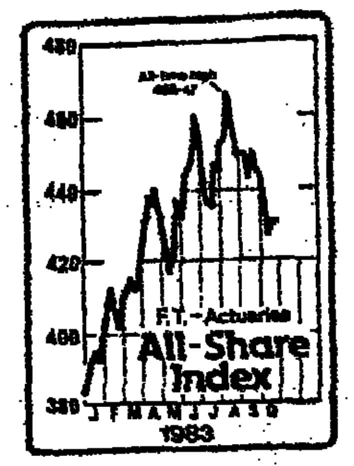
The trading account drew to a close yesterday with the stockbroking community anxiously scanning the horizon for new influences. The quiet Christmas period, after all, is now looming and beyond that lies the uncertain ground of negotiated commissions. So there could hardly be a better opportunity to stock up with generous fixed commission income.

The horizon, however, has failed to oblige. The FT-All-Share Index, which fell 8½ per cent between its August peak and mid-October, has recently been drifting sidewards. ICI's third quarter figures produced a flurry of activity late in the week, but otherwise there have been few clues to the trend of the manufacturing economy.

Hopes of an imminent decline in mortgage rates have stimulated some interest in consumer sectors, including brewers and distillers but most noticeably the retailers. Yet only in the property department have brokers really spotted the outline of a more substantial sales pitch, with the better than expected terms of recently announced bids and deals supporting the idea that the cycle may have turned up at last.

The gilt-edged market was sparked into life yesterday by the announcement of two low-coupon tap stocks aimed at the highly-taxed saver. The authorities are sensibly catering for any demand arising from the Inland Revenue restrictions on offshore roll-up funds as well as putting new stock in place before the £1.25bn of 3 per cent Exchequer 1984 starts to be redeemed. For those who are not convinced by the Chancellor's inflation forecasts, however, the shorter-dated index-linked stocks currently look a more attractive buy.

Index fell 2.9 to 691.1



Logica

It is rather peculiar, on the face of it, that offers of shares by tender — the point of which is to make the market put a valuation on the shares — are generally propped up on the crutch of a minimum tender price.

Often the minimum price is set very high in an apparent attempt to second-guess the market, or nudge applicants still higher. When this ploy goes wrong, however, it ends up by squashing the tender mechanism; all the shares get allocated at the minimum price or left with the underwriters.

Yesterday's allocation of shares in Logica, the computer software house, demonstrated what can be achieved by taking a jump in the opposite direction. Logica was able to strike a price no less than 57 per cent above a minimum price which was so unambitious that it had —quite legitimately—given the market no guide at all.

Now that Logica has established the possibility of a "deep discount" tender, the sequel ought to be tenders with a minimum of zero and no underwriters. There is nothing to stop such offers so long as new shares are not being issued; and even in that case—except where some rather special provisions of the 1948 Companies Act might apply—there seems little reason to specify a minimum price higher than the par value of the shares. For Logica that would have been 10p.

Eagle Star

Even after a 7p fall yesterday to 528p, the Eagle Star share price remains comfortably out of reach of Allianz. But the financial advisers to the two companies have been no less busy for that. A sophisticated game of poker is currently being played, the purpose of which is to win favour with the Office of Fair Trading.

The decision about whether to refer the bid will be of great significance not just because of the size of the transaction. Eagle Star will be the first test for the new Trade and Industry Minister as well as for the ground rules on competition policy slowly being formulated by his department.

If competition is the criterion by which the Allianz bid is to be judged, then there is no case for a reference. The German company has an insignificant share of the UK insurance market and indeed has been wooing Eagle Star precisely for that reason.

The Government will, however, be pressed to investigate the offer for at least two other reasons. Firstly, while shareholders are able to vote on the bid with their feet, the more numerous band of Eagle Star policyholders will have no say over a change in their company's management. The German company, so it is argued, could apply acturial and investment yardsticks different from those of a British company, to the detriment of policyholders.

Secondly, the Eagle Star camp will maintain that the restrictive stance of the German authorities towards outside participation in their own market entitles the British Government to reciprocate in kind.

There seems, on the face of it, no reason to suppose that Allianz will wish to alter the existing investment policy of Eagle Star and it would, in any case, be almost impossible to ascertain any change of direction through a Monopolies Commission investigation.

While there is no doubt that West Germany has been dragging its feet on EEC directives concerning freedom of financial services, there is no reason prima facie at least to suppose that they would oppose the takeover of a medium-sized German company by a foreign insurance group which, after all, is what Allianz is seeking in reverse. Either way, judgment on these issues should not lie within the court of the Monopolies Commission and, if the Government has a view, it should express it itself.

Actual earnings

One of the favourite yardsticks of UK stock market analysis over the last ten years—the fully-taxed p/e ratio—seems rapidly to be losing ground in the City. This is in part because the assumption that all companies were paying 52 per cent of their profits to the taxman has become increasingly artificial. But the change probably owes more to this year's heavy buying of UK shares—Glaxo, ICI—by American investors who could not care less about the notional full tax charge and looked at the much higher earnings left by actual tax (at an average of about 37½ per cent).

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

	High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
			Australians					
	28½	13½	♥ACM 20c	17		—	—	—
	52	32	Alliance Expln NL	38	–2	—	—	—
	40	9	♥Ashton Mng. NL	25	–1	—	—	—
	25	11	Baltimore Resources	16		—	—	—
	60	37	♥Black Hill Mins.	38		—	—	—
	85	51	♥Bond Corp.	66		Q10c	♦	9.8
	183	116	♥Bougainville 1 Kina	146	+6	♦Q3.21	1.2	1.4
	372	204	♥CRA 50c	332	+10	tQ3c	—	0.6
	145	60	♥Carr Boyd 20c	63	–2	—	—	—
	38	25	♥Central Kalgoorlie	36	+1	—	—	—
	43	18	♥Central Pacific	24		—	—	—
	9	2¼	♥Cons Gold Mng Areas	5		—	—	—
	17	5	♥Coopers Res N.L.	9		—	—	—
	255	183	♥Crusader Oil	198		—	—	—
	18	8	♥Cultus Pac NL	16	+½	—	—	—
	19	7	♥Eagle Corp 10c	15		—	—	—
	215	96	♥Emperor Mines	158	–4	—	—	—
	14	8	♥Endeavour 20c	9½		—	—	—
	58	17	♥Eutopia Gld Mines	25	–½	—	—	—
	810	500	♥Gld Kalgoorlie 25c	560		hQ10c	♦	1.1
	24	6	Grt. Eastern Mines	13		—	—	—
	17	9	♥Great Victoria Gold	9		—	—	—
	32	15½	♥Hampton NW	18½	–½	—	—	—
	92	28	♥Hill Minerals N.L.	32	–2	—	—	—
	41	13	♥Integ Mining	17		—	—	—
	20	5	♥Ivanhoe Gld. N.L.	9½		—	—	—
	100	25	♥Jingellic Minerals	44	–10	—	—	—
	42	17	♥Kalbara Min 20c	17		—	—	—

Tins

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OPTIONS

3-month Call Rates

Australia moves on dollar speculation

BY MICHAEL THOMPSON-NOEL IN SYDNEY

IF THE Australian Government has played its cards right, speculation on the Australian dollar exchange rate will become a little harder from today.

However, local bankers hope that adjustments to Australia's foreign exchange arrangements, announced on Friday, prove only the start of a general move to a more market-oriented exchange rate regime.

The initiative falls short of freeing or floating the local dollar, the exchange rate of which is flexibly pegged to a trade-weighted basket of currencies, but is intended to stem recent heavy speculative inflows and outflows of capital.

First, from today, the A$/U.S.$ mid-rate will now be announced at the end of each day, instead of at 9.30 am, though an "indicative" morning rate will still be announced, to provide some guidance

Second, the Reserve Bank will no longer underwrite the official forward foreign exchange market, which recognises that with the growth of the hedge and currency futures markets, the Reserve Bank has been providing a steadily decreasing proportion – now less than 20 per cent – of total forward cover.

The decision to announce the A$/U.S.$ mid-rate at the end, rather than at the start, of each day is designed to reduce the scope for speculative capital transactions based on exchange rate movements in foreign currency markets, particularly in Asia, during the course of Australia's trading day.

Until now, the Reserve Bank has announced the A$/U.S.$ mid-rate at 9.30 am, based on a trade-weighted index of currencies (TWI). Banks undertaking spot foreign exchange transactions in U.S. dollars with customers have been required to deal within a fixed spread around this rate.

The A$/U.S.$ mid-rate has been held artifically steady through the day, whatever the movement in the value of the U.S.$ in other markets, such as Singapore, Hong Kong and Tokyo.

Under the new regime, the Reserve Bank will still announce the TWI setting at 9.30 am. However, the 9.30 am A$/U.S.$ mid-rate will be informal, and banks will be free to deal with customers during the day at mutually negotiated rates.

Until now, the 9.30 am mid-rate has also been used as the basis on which banks settle their net spot currency positions with the reserve bank at the end of each day.

From now, the Reserve Bank will deal with banks at rates of plus or minus 0.0015 around the A$/U.S.$ mid-rate – set at the end of each day – instead of plus or minus 0.0005. The banks are already free to set all other rates of exchange.

In addition, the Reserve Bank will no longer underwrite the official forward exchange market. The Reserve Bank is to cease quoting forward margins, and will no longer require banks to clear the forward positions with it.

Banks will now deal in forward exchange with their customers at mutually negotiated rates, and will be authorised to hold spot foreign assets or liabilities as cover against the exchange risk on their net forward positions. For this purpose, the Reserve Bank will establish a "spot against forward" currency limit for each bank.

On March 8, three days after winning office, Australia's Labor Government devalued the A$ by 10 per cent to counter a major run on the currency.

However, since then the A$ has appreciated to its former level, as measured by the TWI, and close to its pre-election, pre-devaluation level against the U.S.$.

On Friday, the mid-rate was set at A$1 to U.S.$0.9175 against U.S.$0.9491 last March 7.

Recently, it has been assumed that upward manipulation of the exchange rate by the Government has been aimed at countering speculative capital inflows, which have been jeopardising money supply growth targets.

The target for M3 growth in the year to next June is 9 per cent to 11 per cent. In the year to September, M3 grew by 12.7 per cent, against 13 per cent in the year to August.

The appreciation of the local dollar has been fiercely criticised by the mining and farm lobbies, which claim it is harming export prospects.

Geneva talks point to Lebanon opposition's new strength

Patrick Cockburn looks at the background to today's talks

THE national reconciliation council meeting of Lebanese political leaders, which is to start today in Geneva, is a triumph for the Lebanese opposition and their Syrian backers.

A year ago President Amin Gemayel and the Lebanese Christians believed the Israeli invasion had delivered power into their hands.

The Palestine Liberation Organisation was vanquished, the Syrian army mauled and Lebanese Moslems badly frightened.

There seemed little reason to share power with men like Mr Walid Jumblatt, leader of the Druze community, all the more so since Washington had promised President Gemayel firm backing.

The situation today, as the leaders meet in the Intercontinental Hotel above Lake Geneva, is very different.

defeated by the Druze in the defeaetd by the Druze in the mountain war in September, the Israelis have pulled back to the Awali River and in the last week the U.S. has seen 230 of its marines killed in Beirut.

The savagery of the bomb attack, its success and the inability of the U.S. to retaliate effectively underlines the defeat of U.S. policy in Lebanon. Even if some act of retribution is carried out it is unlikely to impress the Lebanese, accustomed, as they are, to war.

Anything less than a full scale attack on Syria would be counter-productive and there is litle sign so far that President Reagan is willing to see such an escalation of America's commitment.

Propping up President Gemayel's government in the face of Syria's hostility has

‘The savagery of the bomb attack effectively underlines the defeat of U.S. policy’

simply become to expensive in lives and credibility.

The only way out for Mr George Shultz, the U.S. Secretary of State, is to ensure that President Gemayel makes sufficient concessions to the Syrians and their allies in Lebanon to relieve the pressure on the U.S.

Despite President Reagan's denunciation of Damascus as a catspaw of the Soviet Union, the White House now has little alternative but to bow to President Assad's demands.

The difficulty for the U.S. is that these demands include the abrogation of the May 17 agreement between Israel and Lebanon. This was negotiated by Mr Shultz himself earlier this year.

Mr Abdul Halim Khaddam, the Syrian Foreign Minister, is attending the Geneva conference to ensure that Syria re-establishes its position of predominance in Lebanon and no concessions are made to Israel.

Mr Walid Jumblatt and Mr Nabih Berri are demanding full-scale reform in Lebanon. They want new elections and a fairer distribution of government posts. It is unlikely that President Gemayel, even if he wished to, has the influence to persuade his fellow Christians to agree to such concessions.

If the resumption of civil war is to be avoided, however, the Geneva conference must look for a more modest agreement—A government of national unity, including the opposition.

If no agreement is reached then the ceasefire is likely to become even less effective. Over the weekend the flash of bursting shells could be seen in the hills above Beirut. It was an ominous warning of how swiftly war could be resumed.

Close result likely in Argentine elections

By Robert Graham and Jimmy Burns in Buenos Aires

ARGENTINES yesterday went to the polls to elect their first civilian government after seven years of repressive political rule. With no provisional results likely before today there was intense excitement over whether the Peronists would retain their traditional hold on civilian politics against a strong challenge by the Radical Party.

Early indications suggested that the result would be close, with much depending on the extent of the shift of the Peronist working-class vote to the Radicals, heard by former lawyer Raul Alfonsin. The closing stages of the campaign have been marked by bitter and violent rivalry between these two main parties, expected to account for over two-thirds of the vote.

The Radicals have campaigned on a moderate Social Democratic platform, while the Peronists, led by Sr Italo Luder, have invoked the mystique of their authoritarian nationalist founder, the late General Juan Peron. The last time elections were held, in 1973, General Peron won with 61 per cent of the vote, against the Radicals' 24 per cent.

Voting is obligatory for the 17.9m electorate, which includes 5m new voters. The voting age has been lowered for these elections from 21 to 18. The electoral process involves polling for the six-year term presidency, the 254 seat Congress and the 46 member Senate, plus over 10,000 local government posts including the governorships of Argentina's 24 provinces.

Yesterday's presidential vote was for a 600-strong electoral college. If either the Peronists or the Radicals emerge with a clear majority, the college becomes a rubber stamp. But if the result is close, it will play a crucial power-broking role.

Sr Alfonsin has said that he will not accept a minority Peronist government unless it is endorsed by the electoral college. Sr Luder has insisted that whichever party wins the most votes should have the presidency. The electoral college is not due to meet until November 30.

The state of siege, in force since 1974, was lifted on Saturday. For many Argentines this was the first sign that military rule had come to an end. Although the military have banned all gatherings, prevented the sale of alcohol and closed down most bars and restaurants, cinemas and theatres during polling, this did not prevent private celebrations.

The military authorities are expected to release 153 political prisoners today, leaving about 80 still in jail. But up to 15,000 are still missing, unaccounted for, after the "dirty war" against left-wingers from 1976 to 1980.

U.S. says troops will leave Grenada ‘as quickly as possible’

BY STEWART FLEMING IN WASHINGTON

THE U.S. wants to take its troops out of Grenada "as quickly as possible" once the fighting has stopped, said Mr Lawrence S. Eagleburger, Under Secretary of State for political affairs yesterday.

Mr Eagleburger expressed "disappointment" at the British Government's reaction to the invasion but added that he thought "it took some guts" for Mrs Thatcher to abstain from condemning the U.S. action in last week's United Nations Security Council vote—a vote to which the U.S. applied its veto. "I think we appreciated that fairly substantially." Mr Eagleburger said in a television interview, adding that the UK was the only European power in the Security Council to abstain.

Questioned about what would happen now on the island, Mr Eagleburger said that the U.S. was working closely with the Organisation of Eastern Caribbean States " to have them take over authority on that island," adding that the U.S. would want to talk to Commonwealth representatives and " to the British " on this too. His comments echoed earlier remarks by Mr Tom Adams, the Prime Minister of Barbados, who said in a television interview that when military operations were finished the OECS would " go in and take over duties."

The U.S. actions in both Grenada and Lebanon will come under detailed scrutiny in Congress this week where hearings are planned on the continued role of the Marines in Lebanon. There is also mounting pressure for a Congressional investigation of the Administration's claims about the extent of Cuban involvement in Grenada. Leading Democratic contenders for their party's Presidential nomination have questioned the rationale behind the U.S. invasion — but the President's opponents are moving cautiously.

One reason for this is a steady stream of political opinion polls which show that President Reagan is winning broad public support for his decision to invade Grenada and that his address to the nation on television last Thursday has buttressed that support. According to a Washington Post/ABC television poll, support for the way the President is handling his job has risen to a two-year high this week.

There are signs too that the Administration is ready to capitalise on this backing. Thus Mr Eagleburger yesterday said that concern about the 1,000 U.S. citizens on the island was not the only explanation for U.S. action. He also cited as reasons the U.S. hostages in Tehran, the restoration of stability to the island and the removal of a security threat to other Carribbean states.

Budget conflict may delay U.S. Treasury refunding

BY OUR WASHINGTON CORRESPONDENT

THE U.S. Treasury could be forced to postpone its $16bn quarterly refunding planned to begin on Tuesday because of continuing conflict about measures to cut the budget deficit and issues thrown up by the invasion of Grenada.

Crucial to the planned Treasury fund-raising is a Congressional decision to raise the current ceiling on the Federal Government's outstanding debt from $1,389bn.

The Treasury has warned that without this action the new government securities cannot be issued. The House of Representatives has already approved an increase to $1,615bn.

But at a special session of the Senate called on Saturday to push the legislation forward, the debate became bogged down in a succession of amendments to the debt Bill including calls for a constitutional amendment to give President Reagan powers to veto individual spending items approved by Congress and other amendments relating to the Grenada crisis.

Thus the Senate approved an amendment calling for an end to restrictions on press coverage of the Grenada invasion.

On Friday the Senate approved an amendment which woud invoke the War Powers Act in the Grenada situation. If adopted, it would put Congress on the record as demanding the withdrawal of U.S. troops within 60 days in the absence of formal congressional approval that they stay longer.

With the debt limit issue now caught up not only with the debate about the budget deficits, but also with the Administration's actions in Grenada, there are growing doubts about whether there will be enough time on Monday for the Senate to complete work on the legislation and then for a conference of both houses to agree on the final form of the Bill and send it to President Reagan for signature.

If this does not happen by Monday evening the Treasury sale will have to be cancelled. The Treasury, which has abnormally high cash balances at the moment, would be able to carry on sending out cheques for some days. But Congress is concerned that if this were to happen it would in effect be handing over to the President its power to determine spending priorities.

In recent years debt ceiling legislation has often been delayed until the last moment before finally being approved. Rarely, however, has the uncertainty about the outcome been as great as it is now.

EEC agrees aid pact with Andean nations

By Paul Cheeseright in Brussels

THE EEC last week agreed on an economic co-operation pact with the Andean Pact countries, bringing to an end three years of negotiations.

The agreement comes as the Andean countries—Bolivia, Colombia, Equador, Peru and Venezuela—are starting to expand their external relations. It is the EEC's first pact of its type with a Latin American regional grouping.

The purpose of the agreement is to foster industrial co-operation and to develop scientific and technical exchanges. Each side has granted the other the most-favoured nation clause within the terms of the General Agreement on Tariffs and Trade. This means the tariff concessions granted to third countries will be applied in EEC-Andean Pact dealings.

The EEC has been running a small trade deficit with the Andean Pact.

Nicaragua plans further land redistribution

BY TIM COONE IN MANAGUE

NICARAGUA plans a major push on land redistribution over the next three months. Since the agrarian reform law was passed in July 1981, a total of 14,800 farmers, most of them landless peasants, have benefited from land redistribution totalling 226,000 hectares.

According to Jaime Wheelock, Minister of Agriculture and one of the top Sandinista leaders, between now and December 1983 a further 7,111 farmers are to benefit from titles to 104,000 hectares of redistributed land. An additional 2,400 farmers are to receive titles to 94,400 hectares of land in the interior and north of the country.

Properties affected by the agrarian reform law are for the most part over 350 hectares in size, and either abandoned or under-utilised, or owned by the former dictator Anastasio Somoza. The redistributed land has been allocated mostly to co-operatives. Since the 1979 revolution, some 2,600 agricultural co-operatives have been formed, with over 50,000 members. Over 700 co-operatives own their land collectively.

Sr Wheelock said that 70 per cent of the country's agricultural land remains in the hands of the private sector, and that the Government's policy is to strengthen the mixed economy and to make further efforts in fostering co-operative development.

The agrarian reform was one of the principal pillars of the Sandinistas' political programme before the revolution, and the acceleration of land titling in the coming months is seen as a move to consolidate support for the Government in the rural areas, at a time when it is coming under increasing pressure from attacks

Last week a co-operative of 26 families was destroyed in an attack on the village of Pantasma in the north of the country, killing 47 people, most of them members of the co-operative. Their homes, machinery, workshops, warehouses and bank were totally destroyed in the attack.

Daimler's chief executive dies

BY JONATHAN CARR IN BONN

DR GERHARD PRINZ, chief executive of Daimler Benz, West Germany's most prestigious vehicle group, died of a heart attack at his Stuttgart home this weekend. He was 54.

With his death the company loses its top man after less than four years in the job, and West German industry loses one of its most eloquent spokesmen.

Born in Solingen in the Ruhr area, Dr Prinz had long experience in the steel and the vehicle industries (Volkswagen and Audi) before he joined the Daimler board in 1974.

It was that experience, combined with his skill as a negotiator, for example in the Daimler purchase of the Euclid trucks company of the U.S., which put him in line for the board chairmanship.

He finally took over on January 1, 1980, from Dr Joachim Zahn, under whose 14-year leadership Daimler had steered a strikingly profitable course even in oil crisis and general economic recession.

Dr Prinz consolidated what Dr Zahn had achieved, strengthening Daimler's hold in the U.S. and, from late last year, moving into the smaller car market.

Last year the company markedly boosted sales and profits, increased its dividend and paid a bonus on top. In the first nine months this year, group sales were up 2 per cent to DM 29.2bn, despite a setback in foreign markets for heavy trucks.

However, Dr Prinz constantly warned that neither Daimler-Benz nor West German industry as a whole could afford complacency. Only last Wednesday, in a widely noted speech, he strongly opposed new trade union demands for a shorter working week, warning this would damage the country's ability to compete on world markets.

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